

## **Sustainability Policy - Procurement**

### **Introduction**

Maidstone Borough Council is committed to providing the residents of the borough with excellent value in all areas of operation. In 2019 the Council declared a climate emergency and set out a commitment to become carbon neutral by 2030. For many councils the majority of greenhouse gas emissions and cost reduction opportunities lie outside internal operations. By measuring Scope 3 emissions, and working through procurement frameworks the council can encourage and engage suppliers to develop a proactive approach to sustainability and biodiversity, and reduce carbon emissions and costs.

Considering this aim, the Council has reviewed its current processes and developed a policy to support officers and suppliers in moving towards this objective.

Due to the diverse nature of the goods and services provided to the borough by the Council, this policy cannot offer a single solution for all contracts, but will be considered by Procurement and Legal at commissioning stage prior to any tender being released.

### **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 local economy, whilst minimising damage to the environment' ([LGA 2021](#)).

To support staying within a global temperature threshold of 1.5 degree centigrade, requires limiting cumulative carbon dioxide (CO<sub>2</sub>) emissions over the coming decades. By not reducing our carbon emissions in the recommended timeframe we add to the environmental impacts of rising global temperatures. Because global temperature change is determined by cumulative emissions, the pace at which we reduce emissions is important. The longer we wait, the sooner the remaining carbon space in the atmosphere is used up.

### **What are the advantages of adopting this policy?**

The main advantage of adopting this policy will be to support the Council's aim of becoming Carbon neutral by 2030. This policy will also provide the following benefits.

- This policy will guide the Council in considering whole life sustainability impacts, including biodiversity considerations, in all contracts, ensuring that we take a proportional approach and to support suppliers in assisting us to reduce our joint carbon footprints.

- This policy will support the Council in encouraging suppliers to assist us in reducing our consumption on utilities.
- This policy aims to benefit our communities in encouraging small and medium size enterprises (SME's) to work with the Council and to engage with sustainability issues. The policy will also aim to provide information and guidance on how they can calculate and reduce their carbon footprint.
- This policy will ensure greenhouse gas emissions and energy risks within the supply chain of council procured services are fully understood, including long term 'carbon costs' and to enable appropriate mitigation measures to be implemented.
- Equally, it will enable suppliers to review their own business supply chain and energy security measures.
- This policy will help to identify which suppliers are leaders and which are laggards in terms of their sustainability performance.
- This policy will help to engage suppliers and assist them to implement sustainability and/or biodiversity initiatives where feasible and low carbon solutions
- This policy aims to improve the energy efficiency of their products
- This policy will help to positively engage with employees to reduce emissions from business travel and employee commuting.
- This policy will create greater transparency on the council's carbon footprint and reductions inline with 2030 Carbon Neutral commitment.

### **How will the Sustainable procurement policy work in practice?**

Due to the varying industries the Council procure works and services from, this policy proposes a flexible timeline to ensure compliance, fair competition and measurable results. This flexibility will also allow us to remain committed to supporting local SME's as we progress on this journey.

During the commissioning phase of any contract, the Council will explore the industry that we are looking to source from and adjust sustainability expectations as required. Officers will be asked to consider the contract term and any technical developments within the industry they are looking to procure services or works from. For example, the construction industry has made significant strides to meet sustainable requirements and carbon disclosure. In this instance the Council would move to stage 3 of our vision. For industries that are starting this journey we would continue with the vision plan as it is set out.

In all cases a balanced consideration of the social, ethical, environmental and economic impacts will be undertaken. In line with the '[Public Services \(Social Value\) Act 2012](#)' the council and officers must consider—

- a) how what is proposed to be procured might improve the economic, social and environmental well-being of the relevant area, and

- b) how, in conducting the process of procurement, it might act with a view to securing that improvement.

This is to ensure procurement can be used to deliver relevant local priorities, creating new businesses, new green jobs, and new green skills in the UK, improving supplier diversity, innovation and resilience, and tackle climate change and reducing waste.

### **Our Vision**

Embedding sustainability and biodiversity into procurement can support the objectives of an organisation as set out in relevant policies and strategies and can be adapted to reflect the nature of the contract. The vision for this policy is to provide a framework for officers and suppliers that will guide the Council's procurement and to provide contracts that contribute towards the Council achieving its aim of becoming carbon neutral by 2030.

The main themes underlying this policy are engagement, consideration and adaption to each procurement and the outcome.

1. Engagement – This will support and provide guidance for suppliers to enable them to demonstrate how they comply fully with the procurement opportunities advertised. The Council will run events as set out in the 5-year procurement plan, this will engage local suppliers and will provide support and references to guidance in order to encourage them to start their journey towards operating in a sustainable manner.
2. Consideration and adaption – This will be essential for this policy to be successful; the Council must change and adjust the approach for each procurement, adapting the expectation dependant on the industries current market position.
3. Outcomes – To achieve its target's the Council will expect all suppliers to be aligned with its ambition to work towards being carbon neutral by 2030. This will require all suppliers to implement their own carbon reduction measures and reduce their own carbon emissions as much as possible. Only after all possible emissions have been mitigated should a verified offset scheme be considered.

Disclosure requirements vary from sector to sector and between small, medium and [large](#) businesses. The policy will be tailored to fit procurement of each scale so as not to exclude or unfairly discredit comparisons between different size businesses and companies. Working with our suppliers is key to delivering the aims of this policy.

As such we will monitor and measure their performance, encourage them to conduct their operations in line with the council's commitments, make their own [commitments](#), and embrace continuous improvement.

Our five-year proposal aims to build and develop a strategy that will encourage supplier engagement and will establish contracts that will assist the Council in achieving its Carbon Neutral objectives. Please note, at no stage will suppliers be discouraged from seeking contracts and offering services with the council,

instead each phase will give ample opportunity to work with and develop the knowledge of sustainability and carbon disclosure to reduce costs for the suppliers and ultimately reduce carbon emission in the environment. As part of this process, suppliers will be supported to seek accreditation (such as [ISO](#)). Our vision is split into the short, medium, and long term.

➤ *Short term – Years 1*

- During this phase we will start the engagement process, this will set the Council's aims and expectations for suppliers. At this phase we will support suppliers in finding resources and guidance for their own Sustainability plans.
- Suppliers will be expected to answer a questionnaire, this will be adapted to suit the procurement exercise and the contract type. Suppliers who are in the early stages of looking into becoming more sustainable will be able to evidence attendance at events as part of their submission.
- Suppliers will be encouraged to assess their own scope 1 and 2 greenhouse gas emissions (GHG)
- Suppliers who have already made efforts to monitor their emissions will be scored higher

➤ *Medium Term – Years 2 and 3*

- In the medium term we will continue to build upon previous work and continue with local supplier engagement.
- We will expand on the questions asked of suppliers, during this phase they will be asked to provide more data and further details of their sustainability efforts this will include evidencing their carbon reduction forward plan.
- We will also begin to set targets for specific categories that form a major part of the Council's scope 3 emissions.
- From year 3 of this policy, we would ask suppliers to provide their scope 1 and 2 data to the Council having supported them to be able to conduct the calculations themselves during the first phase.

➤ *Long term – Years 3 and 4*

- In the long term, the Council will have a requirement for all suppliers to provide carbon footprint data for scope 1, 2 and 3 emissions.
- Suppliers should have developed their carbon knowledge and should be able to feed the Council in depth data to support the Council's carbon neutral targets.
- Suppliers will be asked to provide copies of their Carbon reduction policies and their actions plans, including details of their carbon footprint trajectory and reductions achieved. Ongoing progress as to the supplier's carbon reduction will be provided to the Council's throughout the contract term.

### **Delivery**

The Council will integrate the policy into its procedures as follows:

- For all contracts the commissioning/contracting officer will need evidence that they have investigated the marketplace current positioning on sustainability and biodiversity and carbon disclosure, they should then adjust the process to act within reason to the current positioning of that industry.
- For any construction projects Officers must consider embedded carbon and include a sustainability and biodiversity weighting within the tender documents, this must be given a sufficient weighting of the overall score for the evaluation process.
- For some procurement exercises the whole life cycle assessment of products will need to be considered. This is a technique for assessing the environmental aspects associated with a product over its life cycle.

Once a procurement exercise is concluded, the responsibility for the contract Officers will be to ensure data is collected and monitored and that the supplier adheres to their tender response. After the contract is awarded the scope 3 emissions will be added to the council's carbon footprint and reduction continually monitored in line with the council 2030 carbon neutral commitment.

This policy will be reviewed annually and adjusted in line with the Council's sustainability targets.

- For clarification whilst the Council refers to 'carbon neutral', in this instance it has the same meaning as net zero. Net zero is emissions remaining, after all possible efforts to mitigate them have been undertaken, would be balanced by verified schemes to offset an equivalent amount of greenhouse gases from the atmosphere