

DARTMOOR NATIONAL PARK AUTHORITY



SUSTAINABLE PROCUREMENT POLICY

1. Introduction

- 1.1 Procurement is the process of acquiring goods, works and services, covering both acquisitions from third parties and from in-house providers. The process spans the whole cycle from identification of needs, through to the end of a services contract or the end of a useful life of an asset.
- 1.2 The Authority currently acquires goods, works and services using a centralised ordering system. All authorised spending officers forward a Request for Order (RFO) form to the Finance Team, who carry out verification checks in accordance with Financial Regulations, before placing the orders with the nominated supplier.
- 1.3 The Authority recognises that its procurement decisions can have a large impact on the environment and people, both locally and globally. Many of the goods and services it buys can cause damage to the environment or public health through the use of raw materials, the manufacture of goods and their distribution, use and disposal. Targeting spend more effectively will accelerate the delivery of the Authority's vision for sustainable development. It will also end the anomalies and the inefficiencies that inevitably result from devolved procurement. Buying goods and services using an electronic system rather than using a paper ordering process will also reduce costs and increase efficiency.

2. Sustainability Principles and Sustainable Procurement

- 2.1 The Authority adopted a Sustainable Development Strategy and Action Plan in 2009. Sustainability is about adapting the way we live and work to minimise negative impacts on other people and on the natural environment on which we depend. Sustainable development is about putting sustainability into action.
- 2.2 The Authority has adopted the Brundtland Commission definition of sustainable development: 'development which meets the needs of the present without compromising the ability of future generations to meet their own needs'.
- 2.3 Sustainable procurement was identified in the Strategy as one of four key areas of activity: what we buy, and how we buy impacts upon the National Park communities, the local economy and the environment and the Authority's bottom line:

Environment -

- The energy efficiency of our operations and facilities – energy inefficiency wastes money that could be spent on providing services and represents CO2 emissions contributing to climate change

Economic -

- Stimulating the local economy – analysis of local money flows can be a useful way of understanding the local multiplier effects of spending decisions.
- Cash flow – prompt payment of invoices can assist small businesses with cash flow.

Social -

- Suppliers must be encouraged to share our values for people and the environment
- Fairtrade purchasing, giving producers a fair price for foods and services applies to Dartmoor and the rest of the world

2.3 The Authority does not have a significant procurement spend (approximately £1M annually) but it is important that it takes a lead in areas like: energy, food, stationery, IT hardware, printing and facilities management as well as reducing goods travel miles. The principles should apply equally to the purchase of goods, services and consultancy.

2.4 Efficient use of resources, minimising the waste we produce and responsible waste disposal are important elements of any procurement. Therefore, the principle of maximising opportunities to “Reduce, Reuse, Recycle and Repair” is integral to the delivery of sustainable procurement solutions.

3. Value for Money and Procurement

3.1 The Authority aims to provide services that offer best value in terms of economy, efficiency and effectiveness and that have the capacity to improve performance.

3.2 In the context of a procurement process, obtaining ‘value for money’ means choosing “the optimum combination of whole life costs and benefits to meet the customer’s requirements”. This is not necessarily the lowest initial price option and requires an assessment of the ongoing revenue/resource costs as well as the initial investment outlay. The Authority’s requirement should include environmental, economic, social and other strategic objectives and be specified at the earliest stages of the procurement cycle. The criterion of value for money is used at the award stage to select the bid that best meets the requirements and is therefore considered to be the most economically advantageous offer.

3.3 Collaboration, networks and links with other organisations, can provide benefits to the Authority. Working with other organisations to combine buying power, to procure or commission goods, works or services jointly or to create shared services should be seen as advantageous. This form of public-public partnership should, in appropriate circumstances, be regarded as an option capable of delivering economies of scale.

4. Environmental and Social Sustainability

4.1 All products have an impact on the environment. It may be due to the use of valuable natural resources, or pollution caused during manufacture or processing. Energy use during production or distribution may also be excessive, particularly if products are produced many miles from their destination. There are also issues relating to the eventual disposal of products. It is important therefore that the

products the Authority uses have the minimum impact possible on the environment – they should be sustainable.

- 4.2 Goods and services may also be produced and delivered under conditions which involve abuse or exploitation. The globalisation of trade means that many of the goods on sale in the UK have been produced by people who experience dangerous or discriminatory working conditions. These activities inevitably affect the environment of other countries and often their National Parks. Fair trade is thus an issue that needs to be addressed in any sustainable procurement policy. Dartmoor National Park Authority therefore undertakes to follow a sustainable and fair procurement strategy and give guidance to its employees and suppliers to ensure that they incorporate environmental, economic and social issues into their procurement practices. The Authority approved Dartmoor National Park Authority as a Fair Trade workplace in June 2009.
- 4.3 Whenever the Authority invites tenders for new contracts a copy of the Sustainable Procurement Policy will form part of the tender documentation. Suppliers who initiate and promote good environmental practice and provide a good service will be recognised.
- 4.4 All procurement of goods and services has to be carried out in accordance with EU and UK legislation, Standing Orders, Financial Regulations and other procedures determined by the Authority. Environmental requirements should be incorporated into contracts ensuring they:
- Are appropriate and relevant to the product and service;
 - Are included within the tender;
 - Apply equally to all potential suppliers and contractors;
 - Are not anti-competitive;
 - Do not specify brand products; and
 - Do not refer to non-commercial matters.
- 4.5 The National Park Authority will establish criteria by which the environmental impact can be taken into account during tender evaluation and this will be clearly identified in tender documentation. The weight given to the environmental impact of the tender will be dependent on the Authority's perception of the risk associated with that purchase. The Authority will continually review its contract specifications and assess them to ensure they comply with environmental legislation and reflect best practice.

5. Sustainability and Environmental Considerations in Procurement

- 5.1 To achieve the Authority's objectives relating to environmental sustainability, the Authority recognises that it should take a positive lead, by carrying out its procurement activities in an environmentally responsible manner. The Authority will therefore work to:
- Reduce the number of goods and services procured by cutting down on waste and repairing or reusing existing goods;
 - Simplify stock holdings;
 - Reduce over-ordering;

- Avoid printing large numbers of documents with a limited life
- Purchase products and services that use fewer natural resources in production and distribution and promote Fairtrade products;
- Take account of whole-life costs, quality, environmental impacts and other benefits and not just the initial price;
- Purchase products that can be recycled or disposed of with minimal environmental damage;
- Buy the most energy-efficient products where they give value for money, taking account of whole-life costs, using the European Commission's mandatory energy-labelling scheme;
- Purchase locally where possible, to reduce the impact of transport, as long as the criteria above are met; whilst complying with the law, including EC procurement rules and international agreements on trade.

5.2 The best environmental option is to procure and use less. This will conserve resources and reduce pollution, as well as significantly reducing the amount of waste produced. Before buying any goods staff should consider whether consumption can be reduced by reusing or repairing existing materials and goods. Investigations should also be made into whether alternative procedures can be put in place to remove the need to buy goods and services. For example, can goods be shared, borrowed or loaned rather than purchased?

5.3 Procurement decisions should be based on environmental criteria along with other major factors such as value for money, quality and whole life costs. The Authority should assess whether goods and services:

- Are durable, reusable, refillable, recyclable and/or repairable;
- Contain reused, recycled or renewable raw materials;
- Are energy and resource efficient;
- Use minimum packaging and encourage waste reduction;
- Are non (or minimum) polluting;
- Promote Fair Trade;
- Are locally produced;
- Are free from ozone depleting substances, solvents, volatile organic compounds and other substances damaging to health and the environment;
- Are from certified sustainable sources;
- Cause minimal damage to the environment in their production, distribution, use and disposal; and
- Are on the most competitive terms having regard for value for money.

5.4 While preference should be given to goods that have been independently certified by a credible certification scheme it should be noted that in certain circumstances this can act against the interests of sustainability and local suppliers.

6. Whole Life Costs in Procurement

6.1 The Authority should take into account all aspects of costs including running and disposal costs, as well as the initial purchase price. The main elements to take into account when considering Whole Life Costs are:

- Direct running costs – e.g. resources used over the lifetime of the product or service such as energy, water;
- Indirect costs – e.g. loading on cooling plant arising from energy inefficient equipment, maintenance costs, training;
- Administration costs – e.g. COSHH overheads from buying hazardous products requiring additional controls and special handling and disposal;
- Spending to save – e.g. investing in higher levels of insulation to save heating and reduce bills;
- Recyclability - e.g. creating markets for our own waste by buying recycled products, to promote the development of long term markets for localised recycling activities; and
- Cost of disposal – e.g. paying a premium at the outset to reduce waste by choosing a product which is more durable, re-usable and recyclable and does not contain hazardous substances requiring disposal in a special way. Consideration should be given to current and impending EU and UK waste regulations.

6.2 After considering these aspects it may mean value for money is provided by investing in a more expensive product or service initially, to reduce costs and increase sustainability in the long-term.

7. Green the Supply Chain

7.1 The Authority will also work with its suppliers, wherever possible and practical, to green the supply chain by:

- Promoting environmental awareness amongst suppliers and ensuring they are aware of the Authority's Sustainable Procurement Policy;
- Including environmental specifications in all contract documentation and ensuring environmental criteria are used in the award of contracts;
- Encouraging suppliers to introduce more environmentally friendly processes and goods (which can be verified) at competitive prices; and
- Assessing the environmental credentials of major suppliers and their goods.

8. E- Procurement

8.1 Electronic procurement (e-procurement) is an area that is developing and changing at an extremely rapid rate. The Authority already makes use of the Devon E-Tendering Portal where possible, uses its own website for advertising and promoting procurement opportunities, uses electronic ordering, and makes payments to suppliers by BACS, with advices sent by email.

8.2 This method of procurement has implications for both buyer and seller and the Authority sees the benefits as being:

- Reduces the cost of sales – purchasing electronically reduces the administrative costs of both the buyer and supplier of placing an order;
- Quicker payments – purchasing electronically also reduces the administrative costs of both the buyer and supplier in invoicing;
- Increase market share – to enable competitive local business to trade within the marketplace;

- Improve management information and provide marketing data – e-procurement increases the amount of information available to both parties and allows them to plan for the future;
- Increasing payment options – many of our suppliers have the capability to send the Authority electronic invoices; and
- Improved flexibility through use of the Procurement/Purchasing Card – this enables a more flexible approach to be taken for the ordering and purchasing of goods particularly those of low value.

9. Local Purchasing

- 9.1 The Authority's contracts for goods, services and works cover a wide range of requirements and local suppliers already account for a significant level of expenditure. The Authority recognises its responsibilities to local communities and the opportunities afforded through procurement to help deliver corporate objectives, including the economic, social and environmental objectives set out in the National Park Management Plan. Local business that can meet Authority's social and environmental objectives should be able to compete for work alongside contractors from outside the area.
- 9.2 The Authority encourages local businesses to compete for goods, services and works by:
- Publishing a 'How to do business with DNPA' guide on the Authority's website;
 - Publishing details of forthcoming bidding opportunities and contact details for each contract on the Authority's website;
 - Ensuring our procedures are robust, fair, equitable and proportionate to reduce the challenges facing small and medium enterprises who would like to do business with the National Park;
 - Increasing the level of contact with local business by continued membership of the Devon Procurement Partnership who hold 'meet the buyer' events

10. Equality

- 10.1 The Authority is committed to promoting equality of access. The Authority will treat all people equally including those contracting to supply goods or services. It will not discriminate on the grounds of a protected characteristic within the means of the Equality Act 2010 or on any other unjustifiable grounds.
- 10.2 Suppliers or contractors appointed for the provision of goods, services or works will have to comply with these criteria.

11. Probity

- 11.1 Controls within the procurement and financial processes exist to promote good practice and not only help the prevention of fraud but also protect the individuals concerned against allegations of fraud.
- 11.2 Compliance with appropriate legal requirements and the internal controls set out in the Authority's Standing Orders, Financial Regulations and Procurement Procedures is essential.

11.3 Involvement in procurement requires the following:

- A duty to behave honestly and in a trustworthy manner maintaining standards which the public is entitled to expect;
- All staff have a fiduciary responsibility which means they are individually and collectively, responsible for the safe and proper arrangements relating to public spending; and
- All managers have a responsibility to ensure systems and procedures followed and that staff are appropriately trained to prevent fraud and corruption.

12. Risk Management in Procurement

12.1 It is essential that the risks associated with procurement are properly assessed and managed. This will be particularly important when changing service providers and suppliers and will need to be considered in respect of both initial and ongoing costs and service level. Management of risk involves having processes in place to monitor risks, access to reliable current information about risks and appropriate levels of control within a framework of risk identification and analysis.

12.2 Risk, it is recognised, must be managed in an integrated way. Environmental concerns in contract arrangements can either be addressed at the specification stage of the buying process, such as specifying the content of recycled materials or specifying certain substances cannot be used or by building environmental factors into the assessment process.

13. Procurement Process

13.1 The Authority has in place various regulations and instructions to ensure that all of its business activity, including procurement, is carried out in a transparent, robust and cost effective manner. This policy must be read and used in conjunction with:

- Financial Regulations
- Procurement Procedures
- Standing Orders
- Scheme of Delegation

Sustainable Procurement Checklist

1. Procurement is to be carried out in an environmentally responsible manner by working to:
 - reduce the number of goods and services procured by cutting down on waste and repairing or reusing existing goods;
 - purchasing products and services that use fewer natural resources in production and distribution and promote Fairtrade products;
 - take account of whole-life costs, quality, environmental impacts and other benefits and not just the initial price;
 - purchasing products that can be recycled or disposed of with minimal environmental damage;
 - buy the most energy-efficient products where they give value for money, taking account of whole-life costs, using the European Commission's mandatory energy-labelling scheme;
 - purchasing locally where possible, to reduce the impact of transport, as long as all other criteria are met, whilst complying with the law, including EC procurement rules and international agreements on trade;
 - promote equality and not discriminate on any grounds
2. Before procuring any goods or services consider whether consumption can be reduced by reusing or repairing existing materials and goods, or whether alternative procedures can be put in place to remove the need to buy goods and services.
3. Procurement decisions are to be based on environmental criteria along with other major factors such as value for money, quality and whole life costs. The Authority will assess whether goods and services to be procured:
 - are durable, reusable, refillable or recyclable;
 - contain reused, recycled or renewable raw materials;
 - are energy and resource efficient;
 - use minimum packaging and encourage waste reduction
 - are non (or minimum) polluting;
 - are locally produced;
 - are free from ozone depleting substances, solvents, volatile organic compounds and other substances damaging to health and the environment;
 - are from certified sustainable sources;
 - cause minimal damage to the environment in their production, distribution, use and disposal; and
 - are on the most competitive terms having regard for Best Value.
4. The criteria by which environmental impact is to be taken into account during the tender evaluation & award process, must be included in the tender documentation.