

**Rotherham Metropolitan Borough Council**  
**Sustainable Procurement and Commissioning**

**Code of Practice**

**2010 – 2013**

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## Introduction

The Council has a clear vision for effective procurement:

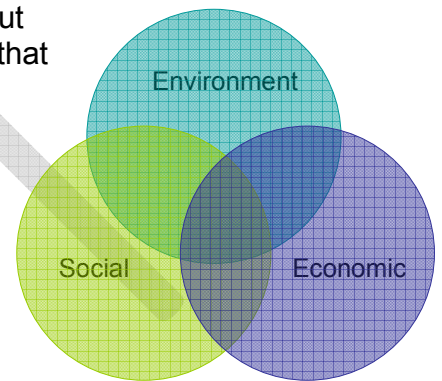
*“The Council will procure goods, services and works by the most efficient and sustainable means to ensure that the needs and aspirations of the community are furthered, within a clear framework of accountability and responsibility. In doing so, the Council will strive to become best in class by adopting world-class procurement practices and techniques”.*

*(RMBC Corporate Procurement Strategy 2009 – 2012)*

Sustainable procurement and commissioning is not just about environmental issues. It has social and economic elements that must be considered to ensure the RMBC procurement and commissioning process is sustainable.

Sustainability:

- Must be considered from the beginning of the procurement process, when identifying your needs and built into to each stage to disposal management.
- Should not replace the aim of value for money, but rather support it, by the approach that is taken throughout the procurement process.



RMBC are committed to adopting the UK principles of sustainable development and has adopted corporate objectives in relation to its procurement and commissioning activities with contractors and suppliers in the Environmental and Climate Change Strategy:

- Promote sustainability and environmental considerations through the Council’s Procurement Strategy.
- Reduce consumption of resources through improved operating techniques and employing new efficient technologies.
- Work in partnership with contractors and suppliers to minimise the environmental impact of their goods and services.
- Encourage procurement of local products and services.
- Where feasible, purchase goods and materials that can be manufactured and disposed of in an environmentally sustainable way.
- Encourage the use of local workforce.
- Encourage skills development of the workforce.
- Maximise positive social impacts.

## **Regulatory Framework / Contract Standing Orders**

All procurement undertaken by the Council must follow the EU Directives and associated UK legislation which state that procurement must be conducted on the basis of:

- Non-discrimination on the grounds of nationality.
- Equal treatment of all potential bidders and suppliers.
- Proportionality of contract value to processes used.
- Transparency of the whole procurement process.
- Mutual recognition of standards, qualifications and specifications.

Additionally the Council must procure within its own financial regulations and standing orders.

Additional guidance can be found on the RMBC intranet Procurement page including:

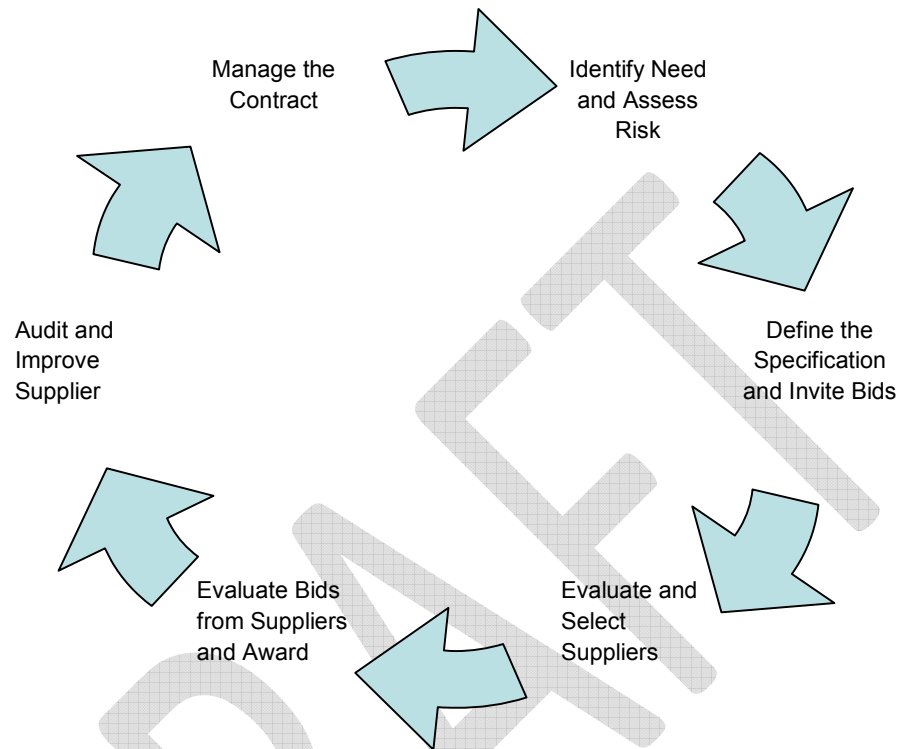
- [Financial Regulations.](#)
- [Standing Guide to the Commissioning of Local Authority Work and Services.](#)
- [Standing Orders.](#)
- [RMBC Procurement Strategy.](#)
- [Equality in Procurement.](#)

UK Regulations:

- [Public Contracts Regulations SI 2006 No 5.](#)
- [Utilities Contracts Regulations SI 2006 No 6.](#)
- [The Public Contracts and Utilities Contracts \(Amendment\) Regulations 2007 SI 2007 No 3542.](#)
- [The Public Contracts and Utilities Contracts \(CPV Code Amendments\) Regulations 2008.](#)
- [The Public Contracts and Utilities Contracts \(Postal Services Amendments\) Regulations 2008.](#)
- [Public Contracts \(Amendment\) Regulations 2009 SI 2009 No. 2992.](#)
- [Unofficial consolidated version of Regulation 32.](#)
- [Utilities Contracts \(Amendment\) Regulations 2009 SI 2009 No. 3100.](#)

## Procurement and Commissioning Cycle

Procurement and commissioning activities should include sustainable procurement considerations at every stage of the procurement process.



### Definitions

- Commissioning is defined as “the process of specifying, securing and monitoring services to meet people’s needs at a strategic level.” It is about looking at the total picture of needs across the borough, capturing the budget and funding available to meet these needs and developing the best strategic fit for service delivery.
- Procurement can be seen as a sub-set of “commissioning” and is the physical activities involved in sourcing, engaging and managing spend with suppliers. Procurement activities follow the procurement cycle above.

### 1. Identify Need and Assess Risk.

Identifying the need and assessing the risk is the first and possibly the most important stage in the procurement process. The role of the client, procurers and commissioners is essential to integrate sustainability into the process at the beginning. The following considerations should be applied as a minimum:

#### Identifying the need

- Is the purchase essential and do we really need it?
- Could an existing product or service be utilised?

- Has the move from product purchasing to service provision been considered?

#### Assessing the risk

- Have the social-economic-environmental risks been identified?
- Is there scope for improvement?
- What influence do we have with suppliers and contractors and the market?
- Can we engage with suppliers and contractors to improve the sustainability of the product or service?
- Is there a reputational or ethical risk?
- Have relevant impact assessments been undertaken on the provision/non provision/change in the service?

### **2. Contract clauses and minimum standards.**

Contract clauses and minimum procurement standards should be included in procurement and commissioning contracts where applicable. The following should be included as a minimum:

- RMBC Intranet:
  - Environmental Contract Clause.
  - Equal Opportunities and Anti-Discrimination Contract Clause.
  - Procurement Framework for Jobs and Skills.
- National Indicator data requirements:
  - Energy consumption data for RMBC related activities.
  - Fuel consumption for RMBC activities.

### **3. Define the Specification and Invite Bids.**

Defining the correct specification that has been developed from the results of the needs identification and risk assessment is an essential element of sustainable procurement. The procurement or commissioning activity will define the type and content of the specification. The following considerations should be applied as a minimum:

- Write specification that is fit for purpose and describes the requirements of the product or service with contributions from technical specialists if required.
- Include sustainability aspects in functional and performance specifications.
- Outcome specifications should allow suppliers or contractors to propose different production methods or processes that contribute to improvements in sustainable development.

- Where feasible encourage innovation.
- Where applicable apply whole life costs/value for money/impact approach including:
  - Running costs and resource use.
  - Maintenance and spares.
  - Training and operation.
  - Licensing and upgrades.
  - Take-back schemes or disposal.
- Set performance criteria e.g. efficiency standard.
- Where appropriate use international / EU standards or eco /ethical labels such as:

- Fairtrade\*.
- EU Energy Star.
- European Eco-Flower.



*\* Rotherham gained Fair Trade Town status in 2006 and the council has committed to promote Fairtrade through its procurement policy.*

- Encourage bids from SME's / local businesses and 3<sup>rd</sup> Sector Organisations.
- Specify the use of sustainably sourced materials.
- Encourage use of local sub-contractors and maximise local sub-contracting opportunities.
- Encourage use of local workforce and maximise opportunities for skills improvement.
- Encourage use of apprenticeships (if relevant to the contract and appropriate).
- Wherever possible for performance specifications use the Government Buying Standards.



#### **4. Evaluate and Select Suppliers.**

All potential suppliers or contractors must be assessed using the same criteria for potential procurement contracts. Past and present performance on sustainability issues can be considered (if evidence is provided as part of the tender document). The following considerations should be applied as a minimum:

- A standard pre-qualification questionnaire (PQQ) that includes questions on environmental and equalities standards can be accessed from the Procurement page on the intranet and should be used for all applicable procurement and commissioning contracts.
- Reg. 25 (UK Contract Regulations. 2006) allows bidders skills, efficiency, experience and reliability to be taken into account. This regulation which permits sustainability quality and standards to be considered.
- Potential contractors and suppliers should demonstrate that they comply with minimum requirements stated e.g. environmental standards such as EMAS / ISO 14001; equality policy and action plan.
- Assess 'Value for Money' and 'Whole Life Costing'.
- Ensure suppliers control and manage many key impacts.
- Assess own manufacturing / service processes / procurement.
- Do not set the standards / criteria too high (limited response or no VFM solution).
- Make clear in the ITT how bids which demonstrate higher sustainability outcomes will attract higher scores at evaluation.
- Explore opportunities to work with new and existing contractors/suppliers to secure specific jobs and skills outcomes over a period of time to increase the use and engagement of apprentice workers.
- Where appropriate, in letting a contract it is permissible to use contract conditions to:
  - Require successful contractors to have a formal training plan in place for the development of their project workforce.
  - Require that a specified proportion of the workforce on a contract are apprentices or receiving relevant skills training such as Skills for Life, Level 2 or Level 3.
  - Specify that a proportion of the hours worked in delivering the contract, will be undertaken by trainees or apprentices.

#### **5. Evaluate Bids from Suppliers and Award.**

Bids must be evaluated on the basis of 'value for money on a whole life basis, not lowest upfront price'. 'Value for money' in the UK is often



referred to as the Most Economically Advantageous Tender (MEAT). The following considerations should be applied as a minimum:

- Award criteria should include:
  - Relevance and proportionality.
  - Quality and price.
  - Technical merit.
  - Aesthetic and functional characteristics.
  - Running and maintenance costs.
  - Cost effectiveness.
  - After sales service and technical assistance.
  - Delivery date, period and method.
- Apply weighting where necessary (must be justifiable)  
e.g. 60% cost; 20% quality; 20% sustainability.
- Establish a (simple) scoring model in advance of ITT being issued:
  - Award points against each of the criteria, apply weightings (if appropriate).
  - Should only score on information provided.
  - Avoid personal preferences.
  - Use a team approach to evaluation.
  - Establish total marks for each supplier.
- Ensure EU and UK contract regulations are complied with.
- Comply with equality and diversity requirements.

For additional information check the Equality and Diversity Procurement page:

<http://intranet.rotherhamconnect.com/C0/C9/Procurement/default.aspx?Mode=View>

- Supplier selection process must support RMBC policies and help to deliver outcomes.

## **6. Audit and Improve Supplier.**

Supplier / contractor environmental sustainability audits can be used to:

- Validate responses in PQQ / ITT.
- Ensure legal compliance.
- Identify and promote potential areas for environmental sustainability improvements.

- If needed agree an action plan for improvement with timeframes and responsibilities.

The following considerations should be applied as a minimum:

- Include environmental and social aspects.
- Identify specialists to carry out relevant audits where necessary.
- Identify level of risk to include spend category and nature of the market.
- Identify options for action:
  - Work with supplier / contractor?
  - Timescales?
  - Criticality?
  - Terminate contract?

## 7. Manage the Contract.

Contract management is essential to ensure that both RMBC and suppliers/contractors comply with contract obligations efficiently and effectively. Further information can be accessed from the OGC website 'OGC 15 Contract Management'.

The following considerations should be applied as a minimum:

- Manage essential measures that ensure compliance with the contract and commitments made.
- Assess improvement plans and continual improvement measures.
- Identify performance indicators and link to risk assessment in areas such as (example list only not exhaustive):
  - Level of recycled content.
  - Reduce energy / fuel / water consumption.
  - Reduction in packaging waste.
  - Social improvements.
  - Reduction in hazardous materials used.
  - Improved equipment standards.

*Note: Additional performance indicators and guidance can be found in the Audit Commission / I&DEA publication – 'modern procurement practice in local government; local performance indicators for procurement'.*

- Identify the nature of the market and the Councils ability to drive change.



## 8. Construction.

'Building for the future: sustainable construction and refurbishment on the government estate' was produced by the National Audit Office and recommended:

- Specifying requirements for environmental performance in terms of outcomes, including carbon emissions and energy / water consumption.
- Conducting post-occupancy evaluations to assess whether completed construction and refurbishment projects have delivered the specified level of performance.

In order to comply with the recommendation RMBC construction and refurbishment standards are:

- All new build projects will be:
  - BREEAM 'very good' or equivalent standard as a minimum.
  - BREEAM 'excellent' as an aspiration on all projects.
  - Energy Performance Certificate rating 'B'.
- All refurbishment projects above 500m<sup>2</sup> will be:
  - BREEAM 'very good' or equivalent standard.
  - Energy Performance Certificate rating 'B'.
- Post occupancy evaluations will be carried out through the production of Display Energy Certificates in accordance with the Energy Performance in Buildings Directive.

## Sustainable Procurement and Commissioning Code of Practice Review and Assessment

Compliance with the Rotherham Metropolitan Borough Council Sustainable Procurement and Commissioning Code of Practice will be assessed through the Corporate EMAS Internal Audit Programme and performance managed / reported through the Corporate Annual Environmental Statement. The following assessment standards will be included as a minimum:

- Assessment against The Flexible Framework (source: Procuring the Future - Sustainable Procurement Taskforce 2006)
- Assessment of the communication, understanding and application of the Sustainable Procurement and Commissioning Code of Practice.
- Verification of compliance against the EU Green Public Procurement standards.

