Parallel Session
Sustainable Procurement: Delivering Sustainable Outcomes
Pathways to 2030
Sustainable Scotland Network Conference
Glasgow
01 November 2016
Session Format & Panel

1. **Introduction:**
   - Ken Harris, Sustainable Development Officer, Glasgow City Council

2. **Setting the scene:**
   - Barbara Morton, Director, Sustainable Procurement Ltd

3. **Glasgow City Council experience**
   - Maureen Fitzpatrick - Procurement Development Manager
   - Marion Mallan - Strategic Operations Manager

4. **Open forum for discussion**
   - Close by 15:30
Aligning Objectives and Delivering Sustainable Outcomes

Barbara Morton
Director, Sustainable Procurement Ltd

Sustainable Scotland Network Conference

01 November 2016
Outline

1. New procurement regime
2. The challenge of finding the right balance:
   • Potentially competing policy priorities - climate change is one of many!
3. Aligning objectives:
   • Links to an organisation’s Procurement Strategy
4. Using the tools to support delivery
5. Monitoring and reporting
   • Including Procurement Annual Report
Link from National Purpose to Procurement Outcomes

Scotland’s National Purpose

Scotland’s High Level Purpose Targets

National Outcomes

National Indicators

Scotland Public Sector Organisational Sustainable Outcomes

Scotland Public Sector Organisational Procurement Outcomes

Scotland Public Sector Procurement Strategic Priorities

Frameworks/ Contracts

Outcomes delivered
Procurement Reform (Scotland) Act 2014
Sustainable Procurement Duty

Business friendly: Socially responsible

Procurement Reform (Scotland) Act 2014

s9: Sustainable Procurement Duty

Consider:

Improving
Economic, social, environmental, wellbeing and reducing inequality in the area.

Involving
Small and medium enterprises and 3rd sector bodies including supported businesses.

Promoting
Innovation
Sustainable Procurement Tools

**Prioritisation Tool**
- **Category /sub-category/ commodity or equivalent level**
- Excel based
- Macros enabled
- Flow process
- Graphical outputs and summary of key findings for Export

**Sustainability Test**
- **Contract level**
- Excel based – no macros
- Flow process
- Summary of relevant risks and opportunities for contract and guidance on how to apply
## Risks and Opportunities

<table>
<thead>
<tr>
<th>Environmental</th>
<th>Socio-economic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Climate Change</td>
<td>Employment, skills and training</td>
</tr>
<tr>
<td>Materials</td>
<td>Health and wellbeing</td>
</tr>
<tr>
<td>Waste</td>
<td>Communities</td>
</tr>
<tr>
<td>Hazardous materials</td>
<td>Security and crime</td>
</tr>
<tr>
<td>Biodiversity</td>
<td>Ethical and fair trade</td>
</tr>
<tr>
<td>Heritage</td>
<td>Equality</td>
</tr>
<tr>
<td>Water</td>
<td>Fair Work</td>
</tr>
</tbody>
</table>

*Click for guidance*

Full descriptions, guidance on who should use the tool, when and how is available within the Tool.
## Sustainability Test – Climate Change

<table>
<thead>
<tr>
<th>RISK &amp; OPPORTUNITY</th>
<th>ASSESSMENT CRITERIA</th>
<th>Y</th>
<th>RELEVANCE TO THIS CONTRACT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Climate Change - Carbon and Energy consumption</td>
<td>Will the product or service procured routinely involve consumption of energy (electricity, gas or other fuel) AND/OR is there an opportunity to minimise energy consumption?</td>
<td>0</td>
<td>e.g. Electrical equipment used in service delivery.</td>
</tr>
<tr>
<td>Climate Change - Carbon in Production</td>
<td>Is the production/ manufacture of products procured heavily dependent on energy and resource consumption AND/OR is there an opportunity to require suppliers to demonstrate how they can minimise energy/resource intensity of the production process?</td>
<td>0</td>
<td>e.g. Products which are known to be energy and resource (and therefore carbon) intensive in manufacture including textiles, food, electrical and electronic equipment, furniture, construction, plastics, chemicals, steel, aluminium, cement, ceramics and paper.</td>
</tr>
<tr>
<td>Climate change - Adaptation</td>
<td>Is the supply of this product or delivery of relevant service potentially vulnerable to the impacts of Climate Change, AND/OR is there an opportunity to minimise the effects on supply or service delivery, as a result of anticipated Climate Change?</td>
<td>0</td>
<td>e.g. Risk to business and/or supply continuity as a result of anticipated higher temperatures, flooding, other extreme climatic events.</td>
</tr>
<tr>
<td>Climate Change - Carbon in Vehicle emissions</td>
<td>Are vehicles routinely used in the supply of a product procured or in service delivery AND/OR there is a potential opportunity to minimise vehicle movements and/or associated emissions?</td>
<td>0</td>
<td>e.g. movement of staff and equipment in service delivery.</td>
</tr>
</tbody>
</table>
Thank you

Barbara Morton
Director, Sustainable Procurement Ltd
barbara@sustainableprocurement.eu.com
Delivering Sustainable Outcomes

- Council commercial spend profile FY15.16
  - Procurement spend and scope
    - Priority commodities / projects

- Approach & outcomes
  - Aligning organisational objectives

- Challenges and lessons learned
  - Overall experience
  - Lessons learned and issues for discussion

- Next Steps
Council comprises of seven core services and ten partner organisations, collectively known as the Glasgow council family. Procuring goods, works and services has a major impact on many aspects of life in Glasgow – environmental, social factors and economic development.

- Fiscal Year 15/16 - Total Commercial spend £663 million, of which
  - 45% are Glasgow-based suppliers and 54% SME suppliers

- Spend is categorised across 87 commodities (6 procurement groups)
  - Corporate Procurement Unit (60)
  - Access (7)
  - Cordia (6)
  - City Building (9)
  - Social Work Services (5)
  - Glasgow Life (sub commodity owners)
Glasgow City Council (FY 15/16 Spend Profile) – £663M

- **£157M** Goods
  - UTILITIES & FUEL £42M
  - BUILDING MATERIALS £19M
  - FOOD & WATER £13M
  - PLANT HIRE £11M
  - AIDS £9M

- **£403M** Services
  - ADULT SUPPORT £93M
  - CARE HOMES £83M
  - FACILITIES MANAGEMENT £54M
  - CHILD SUPPORT £52M
  - REFUSE/WASTE £27M

- **£102M** Works
  - CONSTRUCTION & TRADES CONTRACTORS £101M
  - DEMOLITION / DISMANTLING SERVICES £2M
Glasgow City Council – CPU FY15/16 Spend Profile (£210M)

- **£75M** Goods
  - UTILITIES & FUEL £42M
  - VEHICLE SERVICES / PARTS £5M
  - ROAD MATERIALS £4M
  - VEHICLE PURCHASE £3M
  - PLANT HIRE £2M

- **£88M** Services
  - REFUSE/WASTE £27M
  - RECRUITMENT & HR £9M
  - FINANCIAL SERVICES £8M
  - SECURITY & SAFETY SERVICES £8M
  - Taxis £6M

- **£47M** Works
  - CONSTRUCTION & TRADES CONTRACTORS £46M
  - DEMOLITION / DISMANTLING SERVICES £1M
## Priority Commodities / Projects (£90M)

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction &amp; Trades</td>
<td>£46M</td>
</tr>
<tr>
<td>Road Materials</td>
<td>£4M</td>
</tr>
<tr>
<td>Events</td>
<td>£2M</td>
</tr>
<tr>
<td>Clothing</td>
<td>£1M</td>
</tr>
<tr>
<td>Livestock, Animals &amp; Plants</td>
<td>£0.3M</td>
</tr>
<tr>
<td>Refuse and Waste</td>
<td>£27M</td>
</tr>
<tr>
<td>Street Road Lighting</td>
<td>£2M</td>
</tr>
<tr>
<td>Marketing &amp; Promotion</td>
<td>£2M</td>
</tr>
<tr>
<td>Linens &amp; Fabrics</td>
<td>£0.3M</td>
</tr>
</tbody>
</table>

Commodities Identified via the Prioritisation Tool - based on CPU 18mth work plan
Aligning our Objectives

- Governance Structure
- Carbon Management Plan
- City Development Plan
- Council Strategic Plan 2012-17
- Strategy Performance Action Plan
- Corporate Procurement Strategy
- Revised Community Benefits Policy
Approach - Embed Sustainable Procurement

- Corporate Procurement Strategy 2013-15
- Pilot SG Sustainable Tools
- Staff / Client Training (Marrakesh)
- Revised Procurement / Client Documents
- Revised Key Council Policies

Critical Factor: Early Engagement + Stakeholder Buy-In

Deliver Sustainable Procurement

Monitoring / Reporting Sustainable Register
## Sustainable Outcomes

<table>
<thead>
<tr>
<th>Historical</th>
<th>Business as Usual</th>
<th>Capital and Funded</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commonwealth Games</td>
<td>Livestock animals and plants *</td>
<td>Sighthill Contract 2</td>
</tr>
<tr>
<td>Electric Vehicles</td>
<td>Marketing &amp; Promotions</td>
<td>City Deal</td>
</tr>
<tr>
<td>Street and Road Lighting (LED)</td>
<td>Roads Materials</td>
<td>European Championships</td>
</tr>
<tr>
<td>Mass Automated Cycle Hire (MACH)</td>
<td>Linens and fabrics</td>
<td></td>
</tr>
<tr>
<td>Glasgow Recycling and Renewable Energy Centre (GRREC)</td>
<td>Construction and Trades</td>
<td></td>
</tr>
</tbody>
</table>

* Detailed sustainable outcomes in slide
## Sustainable Outcomes

<table>
<thead>
<tr>
<th>Historical</th>
<th>Project</th>
<th>Socio –Economic Benefits</th>
<th>Environmental Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Commonwealth Games</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>(Sir Chris Hoy Velodrome,</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Emirates Arena etc.)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Mass Automated Cycle Hire</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>(MACH)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Electric Vehicles</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>Glasgow Recycling and</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>Renewable Energy Centre (GRREC)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Street and Road (LED Lighting)</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Environmental</td>
<td>Stage in Process</td>
<td>Supplier’s Commitments</td>
<td></td>
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<tr>
<td>---------------------</td>
<td>-------------------------------------------------------</td>
<td>----------------------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>Water Consumption</td>
<td>Selection and Award Criteria</td>
<td>Suppliers are actively managing water consumption by reuse of rain water and installation of irrigation systems</td>
<td></td>
</tr>
<tr>
<td>Waste / Recycling</td>
<td>Selection and Award Criteria</td>
<td>Suppliers are collecting packaging for reuse or donating to local communities. This is inline with The Department for Environment, Food and Rural Affairs (DEFRA) recommendations.</td>
<td></td>
</tr>
<tr>
<td>Hazardous materials</td>
<td>Specification / Selection and Award Criteria</td>
<td>Many of the products are raw materials. Suppliers must adhere to legislation, minimise or restrict the use of chemicals so as not to harm the environment</td>
<td></td>
</tr>
<tr>
<td>Transportation</td>
<td>Selection and Award Criteria</td>
<td>Suppliers have committed to reducing emissions in the environment.</td>
<td></td>
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<tr>
<td>Positive</td>
<td>Negative</td>
<td></td>
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<tr>
<td>------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------</td>
<td></td>
<td></td>
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<tr>
<td>Vast Social, Economic and Environmental Benefits</td>
<td>Competing priorities and pressure for procurement staff</td>
<td></td>
<td></td>
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<tr>
<td>High level of interest and support by Elected Members / Management</td>
<td>Lack of standardisation within Local Authorities - impact to suppliers</td>
<td></td>
<td></td>
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<tr>
<td>High level of Supplier Engagement / interest</td>
<td>Lack of reporting tools</td>
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<tr>
<td>Rewarding for everyone involved</td>
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Challenges and lessons Learned

- Embedding Early Engagement
- Utilisation of collaborative frameworks
- Lack of tools to support the standardisation of reporting outcomes
- Resource required for monitoring suppliers performance
- Perception of Sustainable procurement
  - Increased costs vs budget reductions
- Wider Training required outwith procurement
Next Steps – Main Priority Areas

- Deliver the Corporate Procurement Strategy 2016 - 18
- Implement the Action plan derived from the Flexible Framework (FFSAAT)
- Wider Sustainable Training
- Climate Change Training – CPU Staff
Thank you

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Ken Harris – Sustainable Development Officer – kenneth.harris@glasgow.gov.uk

Glasgow City Council, Chief Executives Department . Corporate Procurement Unit.