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ENVIRONMENT POLICY DEVELOPMENT AND SCRUTINY PANEL

SUSTAINABLE PROCUREMENT DUTY

REPORT BY HEAD OF CORPORATE SERVICES

A. PURPOSE OF REPORT

This report provides an update to the Environment Policy Development and Scrutiny Panel on progress in the council's progress in implementing the Sustainable Procurement Duty.

B. RECOMMENDATION

It is recommended that the Panel notes the terms of the report.

C. SUMMARY OF IMPLICATIONS

I	Council Values	Focusing on our customers' needs; being honest, open and accountable.
II	Policy and Legal (including Strategic Environmental Assessment, Equality Issues, Health or Risk Assessment)	None
III	Implications for Scheme of Delegations to Officers	None.
IV	Impact on performance and performance Indicators	Procurement Reform (Scotland) Act 2014. Climate Change (Scotland) Act 2009.
V	Relevance to Single Outcome Agreement	Our economy is diverse and dynamic and West Lothian is an attractive place for doing business.
VI	Resources - (Financial, Staffing and Property)	None.
VII	Consideration at PDSP	None.
VIII	Other consultations	None.

D. TERMS OF REPORT

D1. Background

Public sector procurement is expected to contribute to climate change targets through implementation of the Sustainable Procurement Duty. The sustainable procurement duty, contained in section 9 of the Procurement Reform (Scotland) Act 2014, places sustainable and socially responsible purchasing at the heart of procurement activity.

The sustainable procurement duty is the duty of a contracting authority, before carrying out a regulated procurement, to consider how, in conducting the procurement process, it can improve the economic, social, and environmental wellbeing of the authority's area, facilitate the involvement of small and medium enterprises, third sector bodies and supported businesses in the process.

In meeting its duty, the council should consider only those matters that are relevant to what is proposed to be procured and, in doing so, consider the extent to which it is proportionate in all the circumstances to take those matters into account.

The council's Corporate Procurement Strategy 2019-2023 acknowledges the duty and requirement to comply with obligations in the national procurement legislation, policy and guidance in all of our regulated procurement activities and Outcome 5 makes specific reference to sustainability, with a specific performance indicator with a target for the number of contract strategies considering sustainable procurement elements as a percentage of all contract strategies. The target is currently at 100%.

D2. Sustainable Procurement Action Plan

To assist contracting authorities in implementing their sustainable procurement duty and address how they can optimise economic, social and environmental outcomes of procurement activity, a series of tools have been produced by the Scottish Government to assist the sustainable procurement process. A Sustainable Procurement Action Plan has been developed for the council, using the Scottish Governments Flexible Framework, which considers the range of tools available and supports the council to achieve Level 2 of the Flexible Framework. It concentrates on 5 key themes:

- People
- Objectives, Strategy and Communication
- Processes
- Stakeholder Engagement
- Monitoring and Reporting

The action plan is attached at Appendix 1.

Good progress has been made in delivery of the Sustainable Procurement Action Plan with 30 of the 35 actions now complete. Although, the council's contract strategy already considers whole life cost and economic, social and environment outcomes for all formal tenders, one of the deliverables in the Sustainable Procurement Action Plan was to embed the Scottish Governments "Sustainability Test" into the Contract Strategy. The test focuses on identifying whether particular contracts will have emissions and ensures that these can be considered for the specification and scoring, where applicable.

E CONCLUSION AND RECOMMENDATION

The Sustainable Procurement Action Plan supports Outcome 5 of the Corporate Procurement Strategy, on Sustainability, to develop the council's overall approach to Sustainable Procurement and to comply with the Sustainable Procurement Duty.

F. BACKGROUND REFERENCES

None.

Appendices: One

Appendix 1 - Sustainable Procurement Action Plan

Contact Person: Angela Gray, Corporate Procurement Manager

Telephone: 01506 283259, e-mail: angela.gray@westlothian.gov.uk

Julie Whitelaw

Head of Corporate Services

2 February 2021

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	Organisation:	West Lothian Council					
	IMPORTANT: If filtering ensure you select 'x' as well as the required search criteria - this ensures that headings are retained. If you want to print set the 'Print Area' within Page Layout.						
	Criteria Question	Organisational Action to meet criteria (Suggested or Detailed Organisational, based on your input)	Evidence to support Suggested OR Detailed Organisational Action, to meet criteria	Owner	Date raised	Due Date	Progress as at Dec 2020
	PEOPLE						
L1							
L1							
L1(a)	Have 'key' procurement staff received basic awareness training in sustainable procurement principles?	Training document to be created to detail what training is required and by who. ("Sustainability Passport") need to identify and confirm content of training.	Basic training document drafted - need to add content in (assuming that this is web links)	KA	03/12 /19	-	Yes
L1(b)	Has an analysis of training requirements for all procurement staff been undertaken to embed sustainable procurement capability?	Once "Sustainability Passport" created, this will call out relevant training for Procurement and wider service areas - to be added to intranet page??	Once this has been completed, then we would look to roll out across service areas (publish on Intranet?)	KA	03/12 /19	-	Yes
L2							
L2(a)	Have all procurement staff received basic training in sustainable procurement principles and implementation?	See L1(b)	See Level 1(b)	KA	07/01 /20	-	Yes
L2(b)	Have those responsible for commissioning, specifying, setting budgets been identified and training requirements established to embed appropriate sustainable procurement capability?	Sustainable procurement paper for proc board to ask for action to identify relevant key contacts that require training.	Training passport partially developed and names of service area contacts have been requested.	KA	07/01 /20	-	Yes

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L2(c)	Do the key procurement staff and commissioners, budget holders and specifiers have the appropriate capability to embed sustainable procurement principles and implementation?	covered by sustainability passport	Training passport has been published.	KA	07/01/20	-	Yes
L2(d)	Does the organisation monitor the impact of training on embedding of sustainable procurement within tender requirements and contract management?	Passport will provide dates of when training completed. Annual Reporting to Scottish Government collects data.	Annual report to Scottish government collects data and a process will be developed to monitor the impact.	KA/AG	07/01/20	-	Yes
	OBJECTIVES, STRATEGY & COMMS.						
L1							
L1(a)	Have overarching sustainable procurement objectives been agreed?	Completed - see link to procurement strategy	https://www.westlothian.gov.uk/article/34895/Rules-and-Regulations	AG	03/12/19	-	Yes
L1(b)	Is a clear and succinct set of intended sustainable procurement objectives/ outcomes set out in a statement (or policy), which has been endorsed by the organisation's governing board or equivalent?	Flexible Framework Assessment Tool to be finalised Procurement Strategy forms part of evidence for this also	https://www.westlothian.gov.uk/article/34895/Rules-and-Regulations HOCS/DCE agreed that Strategy is in place to support and no requirement to develop separate policy on sustainable procurement.	KA	03/12/19	-	Yes
L1(c)	Have sustainable procurement objectives/ outcomes/ policy been communicated to appropriate internal and external stakeholders?	Added to Agenda Calendar for CPU Team Meeting. Procurement Board review. Present to climate change working group Communicate to heads of service and publish on intranet / internet	https://objective.westlothian.gov.uk:8443/id:A10917140/document/versions/latest https://www.westlothian.gov.uk/article/34895/Rules-and-Regulations	KA/AG	03/12/19	-	Yes

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L2							
L2(a)	Are the intended sustainable outcomes as set out in the statement/ procurement policy regularly reviewed and updated?	policy will be reviewed annually, then procurement board for sign off - PDSP for approval. Put to Climate change working group.	-	AG	07/01/20	-	Yes
L2(b)	Has there been engagement in the development of sustainable procurement outcomes with appropriate internal and external stakeholders?	internal: engagement with climate change working group / heads of service External: SXL, Local Authorities, Federation of small businesses (rather than put out to own suppliers), Iain Moore (Scot Gov)	-	AG	07/01/20	-	Yes
L2(c)	Has the organisation developed an Organisational Procurement Strategy, that is aligned with intended outcomes/ policy objectives, and other relevant corporate strategies and which is endorsed by CEO or equivalent?	See Procurement Strategy.	https://www.westlothian.gov.uk/article/34895/Rules-and-Regulations	AG	07/01/20	-	Yes
L2(d)	Has the Organisational Procurement Strategy and revisions to the procurement policy and sustainable objectives/outcomes been communicated to appropriate internal and external stakeholders?	Council Exec, Internet / Intranet, Procurement Board, Climate change working group. AG to compile communication plan	https://www.westlothian.gov.uk/article/34895/Rules-and-Regulations	AG	07/01/20	-	Yes
L2(e)	Is a process in place to annually report against, review and update the organisation's Procurement Strategy?	strategy reviewed annually	Annual Procurement Report and P&R PDSP/Council Executive	AG	07/01/20	-	Yes
PROCESS							
L1							

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L1(a)	Has a risk and opportunity assessment / prioritisation exercise been carried out?	<p>Expenditure analysis required; how much we spend, who with, how often, where</p> <p>Key category areas require to be called out</p> <p>07/01/20 - KA to get expenditure reports and review.</p> <p>Consultation with service areas to identify a plan of category commodities.</p>	<p>Expenditure codes obtained and 5 strategic areas have been agreed with service areas for indepth strategic analysis.</p> <p>Whole Council spend analysis can also begin.</p>	KA	03/12/19	28/02/21	Partial
L1(b)	Do key contracts address relevant sustainable procurement risks and opportunities?	<p>Identify what should be asked at contract strategy and tender stages</p> <p>add to contract strategy / tender docs</p>	-	KA	03/12/19	-	Yes
L1(c)	Do buyers use Government Buying Standards or equivalent (where relevant)?	<p>Communication to team advising of Government Buying Standards - Add to Sustainability Passport</p> <p>Update Procurement Authorisation form, strategy etc.</p>	-	KA	03/12/19	-	Yes
L1(d)	Does the organisation apply a whole life cost approach to contract development?	Update to procurement documents with deeper reference to Whole life Costing	-	KA / AG	03/12/19	-	Yes
L2							

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L2(a)	Does the organisation have a process in place to enable consideration of relevant whole life costs in contract development?	Develop contract strategy to include Whole life cost. Project Management guidance currently being drafted	-	KA/AG	07/01/20	-	yes
L2(b)	Has a detailed category/commodity expenditure and risk / opportunity analysis been undertaken to inform contract/commodity procurement strategy?	Expenditure analysis required; how much we spend, who with, how often, where Key category areas require to be called out 07/01/20 - KA to get expenditure reports and review. Consultation with service areas to identify a plan of category commodities.	Expenditure codes obtained and 5 strategic areas have been agreed with service areas for indepth strategic analysis. Whole Council spend analysis can also begin.	KA/AG	07/01/20	28/02/21	Partial
L2(c)	Is sustainability considered at an early stage in the acquisition (pre-procurement and procurement) process for all contracts?	covered by contract strategy. Contract strategy requires update to develop the environmental questions.	Develop contract strategy to develop environmental questions.	KA/AG	07/01/20	-	Yes
L2(d)	Are environmental and socio-economic objectives and outcomes considered in the development of all tender and contract documentation?	contract strategy to be updated to include sustainability test.	contract strategy to be updated to include sustainability test.	KA/AG	07/01/20	-	Yes
L2(e)	Is project/contract governance in place to ensure that intended relevant sustainable outcomes are locked in?	Procurement procedures to be updated to reflect procurement toolkit and updated contract	Project implementation documents to be updated. Procurement procedures and procurement	JB KA/AG	07/01/20	28/02/21	Partial

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		strategy. Update to tender template.	toolkit templates to reflect criteria.				
	ENGAGING STAKEHOLDERS						
L1							
L1(a)	Has a risk and opportunity / prioritisation exercise been carried out?	Prioritisation tool to be completed	Expenditure codes obtained so whole Council spend analysis can begin.	KA	03/12 /19	28/02 /21	Partial
L1(b)	Have key internal and external stakeholders been identified for engagement and views on policy objectives/ sustainable outcomes sought?	Stakeholder map completed (get link to saved doc in objective), Procurement Board review of Sustainable procurement action plan.	Consult stakeholders on sustainability outcomes.	KA	03/12 /19	-	Yes
L1(c)	Have key internal and external stakeholders been notified of organisational sustainable outcomes sought /policy objectives?	Stakeholder map completed (get link to saved doc in objective) Procurement Strategy published - complete 2019 Procurement Policy to be consulted on.	Procurement board consulted on sustainable procurement action plan	KA	03/12 /19	-	Yes
L2							
L2(a)	Have the results of prioritisation exercise been cross-referenced with details of suppliers / providers within prioritised categories/commodities?	Prioritisation tool to be completed	Expenditure codes obtained so whole Council spend analysis can begin.	KA/ AG	07/01 /20	28/02 /21	Partial
L2(b)	Has a targeted programme of stakeholder engagement been initiated to include clarification of and views on sustainable outcomes sought (as articulated in Procurement Strategy) with senior manager involvement?	Consulted with DCE and HOCS re: whether to develop a policy. The Sustainable Procurement Action Plan is also regularly reported to the Procurement Board.	-	AG	07/01 /20	-	Yes

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	MONITORING & REPORTING						
L1							
L1(a)	Has the organisation identified relevant reporting requirements relating to sustainable procurement activity?	<p>PI's reporting on through strategy - goes to WLAM, quarterly performance review (DCE), Procurement Board.</p> <p>Annual Procurement Report (CB's), PI's identified in procurement strategy</p>	<p>PIs to be reviewed. Procurement Strategy reported to the Procurement Board in July 2020. PIs to be reviewed. Meeting with Procurement Board on 9th September. Strategy also reported to Council Executive annually.</p>	KA/AG	03/12/19	-	Yes
L1(b)	Does the organisation have a process in place to determine relevant baselines against reporting requirements established in L1(a)?	<p>PI's reporting on through strategy - goes to WLAM, quarterly performance review (DCE), Procurement Board.</p> <p>Annual Procurement Report (CB's), PI's identified in procurement strategy</p> <p>See peter rogers</p>	<p>Baselines are established in Strategy scorecard.</p>	KA/AG	03/12/19	-	Yes
L2							
L2(a)	Has the organisation identified relevant sustainable procurement outcomes for specific contracts/ frameworks?	Develop Contract Strategy template	Develop Contract Strategy template	KA/AG	07/01/20	-	Yes
L2(b)	Is a process in place to monitor and report on the delivery of the organisation's Procurement Strategy?	<p>Procurement Board & Council Exec review.</p> <p>WLAM review panel.</p> <p>Manual Reporting Process.</p>	PIs to be updated.	KA/AG	07/01/20	-	Yes

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L2(c)	Have baselines relating to intended sustainable outcomes been established?	Baselines identified in Corporate Procurement Strategy	Baselines identified in Corporate Procurement Strategy	KA/AG	07/01/20	-	Yes
L2(d)	Have measures been implemented to monitor and report the identified high risk and opportunity impact areas?	Pentana (PI's) review required of measures we report on.	Prioritisation exercise to be completed.	KA/AG	07/01/20	-	Yes
L2(e)	Is delivery of sustainable outcomes through specific high risk and opportunity contracts regularly monitored and reported as part of the annual procurement report?	Annual procurement report and procurement strategy to be aligned to mirror outcomes. Currently reporting via annual procurement report reports to procurement board, procurement strategy review, annual procurement report submitted.	Environmental requirements to be developed. Results of PI Review to be implemented.	KA/AG	07/01/20	-	Yes