

BUYING THE FUTURE

REPORT ON THE LSGSW SUSTAINABLE PROCUREMENT SEMINAR, NOV 16TH 2004

SUMMARY

The Local Sustainability Group South West held a seminar on sustainable procurement on October 16th at the Somerset College of Art and Technology in Taunton. 40 people were present, from both the procurement and sustainability sectors, representing 27 mainly public service organisations in the south west. The seminar took place at a time when sustainable procurement is moving up the agenda with the publication of the National Sustainable Procurement Strategy and the setting up of Regional Centres of Excellence.

Five speakers gave excellent presentations covering examples of:

- ◆ Procurement activity in London Borough of Camden and Devon County Council by Katherine Cope and Annette Williams.
- ◆ Two presentations by Helmut Lusser. A contextual presentation, outlining Government and EU policy direction and secondly, looking at what can be achieved within legal barriers.
- ◆ More focused sessions on processes and tools from IDeA and Forum for the Future by Tina Holland and Kath Johnson.

Structured discussion was held to help people assimilate the material presented and to identify actions required to move the agenda forward in their own organisations. A final session was held looking at people and organisational needs and how the recently formed South West Centre of Excellence might be to help.

Key messages from these sessions include:

- ◆ Full corporate commitment, Members and Senior Management is needed.
- ◆ Communicate inside and outside -regularly
- ◆ Keep money in local economy by increasing access for local SMEs
- ◆ Simplify processes to enable local companies to tender
- ◆ Celebrate successes
- ◆ Provide training for relevant staff and suppliers
- ◆ Integrate all procurement processes
- ◆ Link to Gershon* efficiency agenda and Government* agenda
- ◆ Commit necessary resources to achieve goals, fund through efficiency savings where possible
- ◆ Monitor and review procurement activities at all stages
- ◆ The Centre of Excellence needs to include sustainability practitioners on its sub-regional partnerships but also needs a champion at high level.

* Government Sustainable Procurement Strategy 2002
National Procurement Strategy for Local Government, 2003
Gershon – Efficiency review 2004.

A simple benchmarking activity was carried out which highlighted the need to support activity in the public sector in the South West to integrate sustainable development considerations into procurement activity. Results for this exercise will be published separately.

SPEAKERS

Katherine Cope, London Borough of Camden. Camden is acknowledged as a leader in the integration of procurement and sustainability concerns. Katherine's presentation covered the background to the development of a fully integrated process at Camden, covering policy development and application, ongoing projects and future work.

The presentation highlighted the commitment and resources needed to make a sustainable procurement process work well. In particular, Katherine showed how the procurement strategy was working across other key Council priorities such as the Racial Equality Scheme with a frank appraisal of success to date in this area.

Katherine included a number of useful contacts for further information at the end of her presentation.

Annette Williams, Devon County Council. Annette showed how using the local multiplier tool developed by the New Economics Foundation has led to major changes in the procurement process to encourage and make it easier for small local companies to apply for Council contracts. This approach showed that by using local companies in most cases generated considerable further economic value for the local economy by recycling of money locally. In the case of building contractors it was found they often sub-contracted locally anyway but this resulted in additional cost for the Council.

In particular, Annette's analysis of the barriers to local companies has led to changes in the tendering process. Key aspects include:

- ◆ Reducing tender process burden for applicants
- ◆ Making contract opportunities more visible
- ◆ Identifying relevant and appropriate evaluation criteria
- ◆ Reducing the time from advertising contract to award of contract.
- ◆ Aggregation decisions - consideration of local impact

Helmut Lesser, Global to Local. Helmut is a leading consultant in implementing sustainable practices with many years of Local Government experience behind him. Helmut gave two presentations.

The first, an overview of national and European Union activity in terms of policy development and innovation projects set the scene for the day. Helmut pointed out that through the Government's National Procurement Strategy every council is now required to build sustainability into its procurement strategy, processes and contracts.

The second presentation covered the legal barriers to sustainable procurement. His key message was there is much that can be done within

existing regulations and they should be viewed positively and an opportunity to make much progress. The presentation included many practical examples of what can be achieved. Helmut included many useful links to practical projects and sources of further information.

Tina Holland, IDeA. Tina introduced the IdeA guidance; Sustainability and Local Government Procurement. This is a useful aid to developing a sustainable procurement process, looking at structural arrangements within organisations to aid process development.

Kath Johnson, Forum for the Future (FtF). Introduced the sustainable procurement tool developed by FfF and how participating organisations are using it. The tool is available on the Forum for the Futures website and offers a structured approach to sustainable procurement activities.

WORKSHOP ACTIVITY

3 workshop sessions were held looking at:

- ◆ Designing a sustainable procurement process
- ◆ Maintaining a sustainable procurement process
- ◆ How the Regional Centre of Excellent can support people in the field

Key messages from the workshops

- ◆ Full corporate commitment, from Members and Senior Management is needed – Sustainable procurement is a significant programme of activity and cannot be progressed without the full buy-in by senior management. However there is an imperative, with pressure from Government to develop sustainable procurement alongside the efficiency savings agenda. Camden's approach demonstrates this well.
- ◆ Inclusive approach - It is important to involve all those actively purchasing goods and services, and also those who provide goods and services. To be successful requires a change in culture for all and the process needs to be geared to this outcome.
- ◆ Communicate inside and outside –regularly. An important feature of culture change is communication. The procurement process needs to have structures allowing real communication – which is two- way.
- ◆ Keep money in local economy and minimise environmental impact by increasing access for local SME's. The drive for efficiency savings has tended to be based on aggregation of contract. Devon County Council's approach to identify the true economic impacts of public procurement locally shows that enabling local companies to provide goods and services has greater benefits.
- ◆ Simplify processes to enable local companies to tender. The work by Devon County Council also identified a number of barriers for local companies making them ambivalent about tendering for work. Devon has started to move through these barriers giving local companies more incentive to compete.
- ◆ Celebrate successes. This was felt to be very important to maintaining stakeholder interest in the process.

- ◆ Training and development of staff and suppliers. This is a fundamental requirement of a process leading to cultural change and necessary to ensure good practice is maintained.
- ◆ Commit necessary resources to achieve goals, fund through efficiency savings where possible. Although it is not always possible to find extra resources this is a major activity and should be recognised as such.
- ◆ Monitor and review procurement activities at all stages. This is fundamental to ongoing success. Together with stakeholder input this should lead to continuous improvement in delivery of objectives.

FURTHER MESSAGES ARISING OUT OF THE WORKSHOPS

Making it work

- ◆ Policy, linked with corporate and community strategy objectives
- ◆ make procurement an integral part of an Environmental Management System
- ◆ Stakeholder analysis, research internal and external, including local economy, -suppliers etc
- ◆ Clearly defined goals. Involve stakeholders
- ◆ Ownership by responsible depts, cross-department working group
- ◆ External stakeholder partnerships
- ◆ Work to ensure legal advisors fully support work

Process

- ◆ Prioritised Action plan
- ◆ Project planning – 3, 5 year goals
- ◆ Monitoring implementation and review
- ◆ Early successes as encouragement
- ◆ Staff incentive schemes
- ◆ Specification, integrate SD with risk based approach
- ◆ Appraisal of tenders, use SD issues
- ◆ Check fit for purpose, need ongoing measures, prerequisite that product/service must fulfil users expectations – otherwise respect is lost.
- ◆ Right questions at pre-qualification stage
- ◆ Highlight whole life costs – promote other factors apart from cost, include future and potential savings/reduced costs elsewhere
- ◆ Develop sustainability evaluation tool
- ◆ Link into educational establishments

Information

- ◆ Guidance documents – upto date, accessible, easy to understand, checklists.
- ◆ Electronic systems which default to sustainable option

Communication and celebration

- ◆ Needs to be regular, practical and relevant.
- ◆ Publicise good news stories
- ◆ Awareness raising internal and external

- ◆ Ongoing communication with all stakeholders.

Learning

- ◆ Training programme for all staff with procurement responsibilities and also for suppliers
- ◆ Also Member, Senior Mgrs and practitioners

Challenge

- ◆ Lobby for changes in legislation that obstructs sustainable approach

Message to the Regional Centre of Excellence

The starkest message to the Centre is that there is very little knowledge about its existence or its role. Fortunately some of the delegates present had been closely involved with the development of this initiative. This allowed people to be briefed about how it is evolving and current structures.

A further key message to the centre is that it needs to involve sustainability people both centrally and sub-regionally. This will bring both agendas together and ensure support for sustainable procurement is delivered through its activity.

Some practical suggestions for support include:

- ◆ Practical examples/case studies
- ◆ Support supplier days
- ◆ Assist bids for major procurement projects
- ◆ Facilitate generic procurement

This will be report to the new Director of the Centre.

FURTHER INFORMATION

For copies of the presentations or questions about the day please contact: Steve Marriott, Bristol City Council, 0117 922 4462, steve_marriott@bristol-city.gov.uk

Steve Marriott
Secretary, LSGSW
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