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Sustainable Procurement presentation

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FOR PUBLICATION

DERBYSHIRE COUNTY COUNCIL

**IMPROVEMENT AND SCRUTINY COMMITTEE – CLIMATE CHANGE,
BIODIVERSITY AND CARBON REDUCTION**

MONDAY, 3 JULY 2023

Report of the Director - Finance and ICT

Sustainable Procurement

1. Purpose

The Purpose of this report is to provide an update on the implementation and impact of the Council's new sustainable procurement policy and the use of the Social Value Portal.

2. Information and Analysis

Sustainable procurement is a process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis. This means generating benefits not only to the organisation, but also to society and the economy, whilst minimising damage to and promoting the health of the environment.

Sustainable procurement requires the Council to work in partnership with suppliers and the supply chain to consider the whole lifecycle, environmental, social and economic impact of procured goods and services.

Sustainable procurement is not limited to environmental considerations alone (such as carbon, waste, and water). Sustainable Procurement is made up of three key principles – Social, Environmental and Economic.

The Council's Sustainable Procurement Policy was approved by Cabinet on 16 June 2022 (Minute No. 116/22 refers).

The Policy delivery plan committed to undertaking 12 pilot projects during the first year, during which we would partner with The Social Value Portal organisation to support implementation.

Currently 8 procurement projects have been trialled with 3 of the projects progressing to contract award. The 3 projects:

- Supply of Disposable Gloves
- Road Marking, Studding Works, and High Friction Surface Treatment
- Supply of Traffic Management

have a total initial contract value of £4,439,103 with committed social and local economic value (SLEV) of £1,585,533 equating to 35.7% committed SLEV.

Appendix 2 gives both a detailed breakdown of the total commitments from the 3 awarded social value portal pilot projects and a breakdown of the commitments per each individual project.

One of the key criteria identified in the Sustainable Procurement policy is to drive sustainability through our procurements and to begin getting the Councils supply chain to commit to sustainable goals and measures. County Procurement have developed a sustainable requirements for tenders document (Appendix 3). The document will be used as a support tool for employees to identify sustainable requirements suitable for the project they are undertaking.

The Sustainable Procurement Policy has been promoted and is available to employees via the 'Our Derbyshire' intranet pages. County Procurement recently attended the Journey to Net Zero Employee Open Day to present an update to staff on sustainable procurement progress.

As a result of the Sustainable Procurement Policy, County procurement are currently reviewing the Councils provider selection questionnaire to ensure all requirements align to the Councils strategy and policies. A wider review of procurement documentation is under way with a view to reducing documentation where possible and reducing the documentation burden on suppliers. As part of this review County Procurement are working with its tendering portal provider, Procontract, to ensure where possible online versions of documentation are available, and information is saved and stored to reduce duplication for suppliers.

3. Implications

3.1 Appendix 1 sets out the relevant implications considered in the preparation of the report.

4. Background Papers

4.1 None Identified.

5. Appendices

5.1 Appendix 1 – Implications

5.2 Appendix 2 – Social Value Portal Commitments

5.3 Appendix 3 – Sustainable Requirements for Tenders

6. Recommendation(s)

That Committee:

- a) Notes the update provided on the implementation and impact of the Council's new sustainable procurement policy and the use of the Social Value Portal.

7. Reasons for Recommendation(s)

7.1 To ensure that the progress made regarding implementation of the Council's new sustainable procurement policy and the use of the Social Value Portal is understood by the committee.

Report Author: **Stuart Etchells** **Contact details:** **Stuart.Etchells@derbyshire.gov.uk**

Implications

Financial

1.1 Cost Analysis and Implications to budgets will need to be considered when sustainable solutions and innovation are applied to Procurement and contract management.

Legal

2.1 All Council procurement and contracting activities need comply with the applicable public procurement and contracting legislation and law, including the Public Contracts Regulations 2015 which prescribe processes for public contracts for goods and services above certain thresholds. The 2015 Regulations have been amended in accordance with the terms of the withdrawal of the UK from the EU by the Public Procurement (Amendment etc.) (EU Exit) Regulations 2020.

Human Resources

3.1 There are no Human Resources implications associated with this report.

Information Technology

4.1 There are no Information Technology implications associated with this report.

Equalities Impact

5.1 There are no equalities impact implications associated with this report.

Corporate objectives and priorities for change

6.1 The Policy supports the Council's ambition to be a net zero organisation by 2032, or sooner, and for the county to be net zero by 2050.

Environmental and Sustainability,

7.1 Development and implementation of this policy will improve the environmental sustainability of the Council.

Introduction

Following the start of the Social Value Portal pilot in October 2023, County Procurement have completed and awarded three projects within which Social Value Portal formed a part of the tendering process.

These are:

- CCP080 – Supply of Disposable Gloves
- PLACE136 - Road Marking, Studding Works, and High Friction Surface Treatment
- PLACE145 – Supply of Traffic Management

Included in this Appendix is a full outline of the commitments provided – both from these three projects in total (see 1.), and from each project individually (see 2. – 4.).

Environmental commitments have been highlighted in green. Other commitments relate to the themes of jobs, growth, social, and innovation.

Definitions

TOMs	Themes, Outcomes, and Measures.	£SLEV	Combined social and local economic value, in GBP.
FTE	Full time equivalent.	SV	Social value.
tCO2e	Tonnes of carbon dioxide equivalent.	LEV	Local economic value.
Proxy Value	The value against each commitment is measured. This can be a national value, or a more localised value for Derbyshire. Some measures do not contain proxy values, but suppliers can still have commitments submitted against them.		

1. Total Commitments

TOMs	Theme	Measure	Commitment	Proxy Value	£SLEV	SV/LEV
NT1	Jobs	Local employees (FTE) directly hired or retained for contract duration	23 FTE	£28,282 per FTE	£650,486	LEV
NT1c	Jobs	Local employees (FTE) hired or retain within the supply chain for the contract duration	10 FTE	£28,282 per FTE	£282,820	LEV
NT4	Jobs	Employees (FTE) hired on the contract who are NOT in Employment, Education, or Training (NEETs)	6 FTE	£15,382.90 per FTE	£92,297.42	SV
NT6	Jobs	Disabled employees (FTE) hired on the contract	1 FTE	£16,605 per FTE	£16,605	SV
NT8	Jobs	Local school and college visits supporting pupils – ie. career talks, curriculum support, safety talks	124 staff hours	£16.93 per staff hour	£2,099.32	SV
NT10	Jobs	Apprenticeships or T-Levels provided on contract	104 weeks	£251.79 per week	£26,186.22	SV
NT11	Jobs	'Support into Work' assistance for unemployed people – ie. CV advice, mock interviews.	16 hours	£105.58 per hour	£1,689.28	SV
NT14	Growth	Spend with VCSEs within the supply chain	£10,000	£0.12 per £1	£1,200	SV
NT16	Growth	Equipment or resources donated to VCSEs (£ equivalent value)	£500	£1 per £1	£500	SV

NT17	Growth	Volunteering hours to support VCSEs	160 staff hours	£16.93 per hour	£2,708.80	SV
NT18	Growth	Spend within local supply chain	£300,000	£0.42 per £1	£125,834.33	LEV
NT20	Growth	Employees with access to wellbeing programmes for at least 12 months	10 employees	£130.29 per employee	£1,302.29	SV
NT21	Growth	Equality, diversity, and inclusion training for staff	20 hours	£101 per hour	£2,020	SV
NT28	Social	Donations and/or in-kind contributions to local community projects	£4,500	£1 per £1	£4,500	SV
NT29	Social	Volunteering time to local community projects	40 staff hours	£16.93 per hour	£677.20	SV
NT31	Environment	Savings in CO2e emissions achieved through de-carbonisation	1,526 tCO2e	£244.63 per tCO2e	£373,305.38	SV
NT33	Environment	Car miles driven using low or no emission staff vehicles	4,050 miles	£0.03 per mile	£101.25	SV
NT51	Innovation	Innovative measures to promote and support responsible business	£1,200	£1 per £1	£1,200	SV
TOTAL					£1,585,533.10	

2. Commitments per Project – Disposable Gloves

Page 8

TOMs	Theme	Specific Commitment	Commitment Amount	Proxy Value	£SLEV	SV/LEV
NT6	Jobs	Disabled employees (FTE) hired on the contract	1 FTE	£16,605 per FTE	£16,605	SV
NT8	Jobs	Delivery of CV writing sessions at 3 secondary schools (of DCC's choosing) by Head of Human Resources	36 staff hours	£16.93 per staff hour	£609.48	SV
NT16	Growth	Cleaning supplies and hygiene wallcharts provided to Rural Action Derbyshire for the 'Feeding Derbyshire Partnership'	£500	£1 per £1	£500	SV
NT17	Growth	Contract staff to give 1 volunteering day p.a. – ie. attending Rural Action Derbyshire kitchens to deliver hygiene presentations to staff	160 staff hours	£16.93 per hour	£2,708.80	SV
NT20	Growth	Staff access to Wellbeing Programme – ie. flexi working, wellness workshops, mental wellbeing sessions	10 employees	£130.29 per employee	£1,302.90	SV
NT21	Growth	Equality, diversity, and inclusion training provided to all staff and reinforced via Equality policy. Training completed annually	20 hours	£101 per hour	£2,020	SV
NT28	Social	Donation of equipment for local litter picks, offered and promoted annually through the 'Keep Britain Tidy' campaign	£500	£1 per £1	£500	SV
NT33	Environment	Meetings attended within Derbyshire will use staff vehicles, which are all electric or hybrid	4,050 miles	£0.03 per mile	£101.25	SV
NT35	Environment	Use of scored supplier selection process, with a minimum requirement of ISO14001 and strong CSR commitments	100% of in-scope supplier contracts			

Appendix A - Social Value Portal Pilot Project Commitments (as of 19 June 2023)
 Improvement and Scrutiny Committee
 Climate Change, Biodiversity, and Carbon Reduction

NT44	Environment	Development of a Net Zero Pledge, with the support of Sustainability West Midlands				
NT51	Innovation	'Feed a Family' CSR initiative – purchase and donate end of life stock from local stores to Derbyshire food banks via Rural Action Derbyshire	£1,200	£1 per £1	£1,200	SV
NT65	Environment	Delivery vehicles ULEZ-compliant and fitted with Euro 6 engines	100% of fleet			
NT66	Environment	Delivery vehicles fitted with FuelActive software, including telematic tracking technology, with a report provided to the Council annually				
TOTAL					£25,547.43	

3. Commitments per Project – Road Marking, Studding Works, and High Friction Surface Treatment

Page 10

TOMs	Theme	Specific Commitment	Commitment Amount	Proxy Value	£SLEV	SV/LEV
NT1	Jobs	Local employees (FTE) directly hired or retained for contract duration	4 FTE	£28,282 per FTE	£113,128	LEV
NT8	Jobs	School visit for 4 staff – identified by DCC, and work collaboratively with the school to deliver workshops meeting school objectives / priorities	48 staff hours	£16.93 per staff hour	£812.64	SV
NT10	Jobs	Support for two apprentices, working for half their time on the contract	104 weeks	£251.79 per week	£26,182.22	SV
NT18	Growth	Engagement of three local suppliers on the contract – HW Martin Traffic Management, Walker Sealants, and Derbyshire Aggregates	£300,000	£0.42 per £1	£125,834.33	LEV
NT28	Social	Continued commitment of supporting local Derbyshire charities – matching 2022 donations	£2,000	£1 per £1	£2,000	SV
NT29	Social	Thinking Community initiative, allowing each employee a volunteer day p.a. to support local initiatives	24 staff hours	£16.93 per hour	£406.32	SV
NT31	Environment	Only road marking material manufacturer to use bio-based resins from pine trees, instead of traditional hydrocarbon resins – saving on average 2.2 tCO2e per tonne of material used. Carbon Calculator report available to the Council on request	1,526 tCO2e	£244.63 per tCO2e	£373,305.38	SV
NT44	Environment	Company commitment to Net Zero by 2032				

Appendix A - Social Value Portal Pilot Project Commitments (as of 19 June 2023)
Improvement and Scrutiny Committee
Climate Change, Biodiversity, and Carbon Reduction

NT65	Environment	All vehicles are self-built with Euro 6 engines	100% of vehicles			
TOTAL					£641,672.89	

4. Commitments per Project – Traffic Management

Page 12

TOMs	Theme	Specific Commitment	Commitment Amount	Proxy Value	£SLEV	SV/LEV
NT1	Jobs	Local employees (FTE) directly hired or retained for contract duration	19 FTE	£28,282 per FTE	£537,358	LEV
NT1c	Jobs	Local employees (FTE) hired or retain within the supply chain for the contract duration	10 FTE	£28,282 per FTE	£282,820	LEV
NT2	Jobs	Percentage of local employees (FTE) on contract, either directly or within the supply chain	100%			
NT4	Jobs	Further employment of NEET individuals, and upskilled with relevant traffic management qualifications	6 FTE	£15,382.90 per FTE	£92,297.42	SV
NT8	Jobs	Staff support for local school and college visit(s)	40 staff hours	£16.93 per hour	£677.20	SV
NT11	Jobs	Contract Manager and Supervisor to support mock interviews, CV and careers advice via the Council's Careers Coaches	16 hours	£105.58 per hour	£1,689.28	SV
NT14	Growth	Temporary signage requirements procured through VCSE Royal British Legion Industries	£10,000	£0.12 per £1	£1,200	SV
NT28	Social	Annual £1,000 donation to a local community project within Derbyshire	£2,000	£1 per £1	£2,000	SV
NT29	Social	Contract Manager and Supervisor to provide one day of volunteering to a local community project	16 staff hours	£16.93 per hour	£270.88	SV

Appendix A - Social Value Portal Pilot Project Commitments (as of 19 June 2023)
Improvement and Scrutiny Committee
Climate Change, Biodiversity, and Carbon Reduction

NT65	Environment	All vehicles will be Euro 6 standard, as a minimum	100%			
NT66	Environment	Use of vehicle telematics system to provide carbon reporting as to support the measurement of Scope 3 emissions				
					TOTAL	£918,312.78

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Sustainable Requirements for Tenders

Subject	Requirement	Measure
Furniture	All procured furniture must be designed for disassembly to facilitate reuse, refurbishment, repair and ultimately recycling, either in part or as a whole.	Mandatory
Furniture	Components and spare parts will be made available by the supplier for at least 5 years after sale to extend the product's lifetime through repair, as far as reasonably practical.	Mandatory
Furniture and Buildings	Timber must be 100% sustainably sourced, using Forest Stewardship Council certification.	Mandatory
Cleaning Consumables	Products must be delivered with clear dosing instructions to avoid over-application by the user.	Mandatory
Horticulture	All products, services and works procured must comply with the latest version of the Horticultural Code of Practice covering invasive non-native plants.	Mandatory
Horticulture	All plant containers must be reusable, recyclable or biodegradable.	Mandatory
Food and Catering	Offer and encourage uptake of plant-based options. <i>Such as Meat Free Mondays.</i>	Mandatory
Food and Catering	Food suppliers will meet the requirements of the Food For Life Supplier Scheme. The provider must be accredited to the appropriate level within the first 12 months of the contract.	Mandatory
Food and Catering	All meat provided is British and Red Tractor farm assured	Mandatory
Food and Catering	All eggs provided are Red Lion stamped.	Mandatory
Food and Catering	All fish provided must not be on the Marine Conservation Society fish to avoid list.	Mandatory

Furniture and ICT Equipment	Describe how you will prioritise reuse, repairability and recyclability of the products supplied within the contract.	Scored
Furniture and Textiles	Describe how you will aim for textile products to have a low environmental impact within the contract. <i>Such as organic, fair trade or from recycled sources.</i>	Scored
Furniture, Textiles and Buildings	Show evidence of life cycle thinking for the selection of materials and equipment used or provided within the contract. Demonstrate the environmental impact of getting the raw materials needed, manufacturing processes, transportation, use and disposal.	Scored
Cleaning Consumables, Furniture, Office Stationery, Workwear, Food and Catering, ICT Equipment	Describe how you will prioritise reusable packaging within the contract. Detail whether packaging and labelling will be easily separated into single-material parts. It should be noted whether any cardboard packaging used will consist of more than 80% recycled material.	Scored
Cleaning Consumables, Furniture, Office Stationery, Workwear, Food and Catering, ICT Equipment	The tenderer should demonstrate that the packaging material is clearly marked to aid recycling and disposal.	Scored
Electrical Items	Describe how you will aim to provide energy efficient equipment as deliverables or to provide a service within the contract. <i>The aim should be at least D rated using the new energy ratings which before 2021 was A+ rated for efficiency.</i>	Scored
Horticulture	Describe how you will prioritise environmentally friendly powered parks and garden machinery. <i>Including use of biofuels if applicable.</i>	Scored
Office Stationery	Detail where recycled paper will be used in the delivery of the contract, noting any exceptions.	Scored
Buildings	Show evidence of life cycle thinking for the selection of materials and equipment used or provided within the contract. Demonstrate the environmental impact of getting the raw materials needed, manufacturing processes, transportation, use and disposal	Scored

Buildings	For the application of BRE's Environmental Assessment Method (BREEAM) standards for major projects (above 1000m2) of new-build non-residential: Detail how you will achieve an "excellent" rating for a new building or "very good" rating for a major refurbishment as applicable.	Scored
Buildings	For new buildings: Describe how the building has been designed to be capable of delivering zero carbon heat and power and resilient to expected changes in climate during the lifetime of the building.	Scored
Transport	Provide a green travel plan applicable to vehicles being used to deliver the works, goods or services within the contract. This should detail your decision-making process for whether vehicle procurement needed and how vehicles are selected and used efficiently.	Scored
Transport	Detail how you will minimise vehicle mileage within the delivery of the contract.	Scored
Transport	Describe how you can contribute to the target of all cars and x% of all other vehicles used within the Derbyshire to be Ultra Low Emission Vehicles (ULEVs) by 2030 within the contract.	Scored
Areas	Indicate how you will minimise single use plastics and waste (in particular plastics, food and textiles) associated with the contract.	Scored
Areas	Derbyshire has a 20xx target in the Climate Strategy for all businesses and organisations in Derbyshire to be carbon neutral (direct and supply chain emissions) and to annually record and measure scope 1, 2 and 3 Greenhouse Gas (GHG) emissions in accordance with the GHG Protocol.	Information Only
Food and Catering	There is a Climate Strategy target for 2030 for all food supplied and distributed within the Derbyshire to be carbon neutral.	Information Only
Food and Catering	There is a Climate Strategy target that food supplied and distributed within the Derbyshire is resilient to potential changes in climate.	Information Only

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Sustainable Procurement

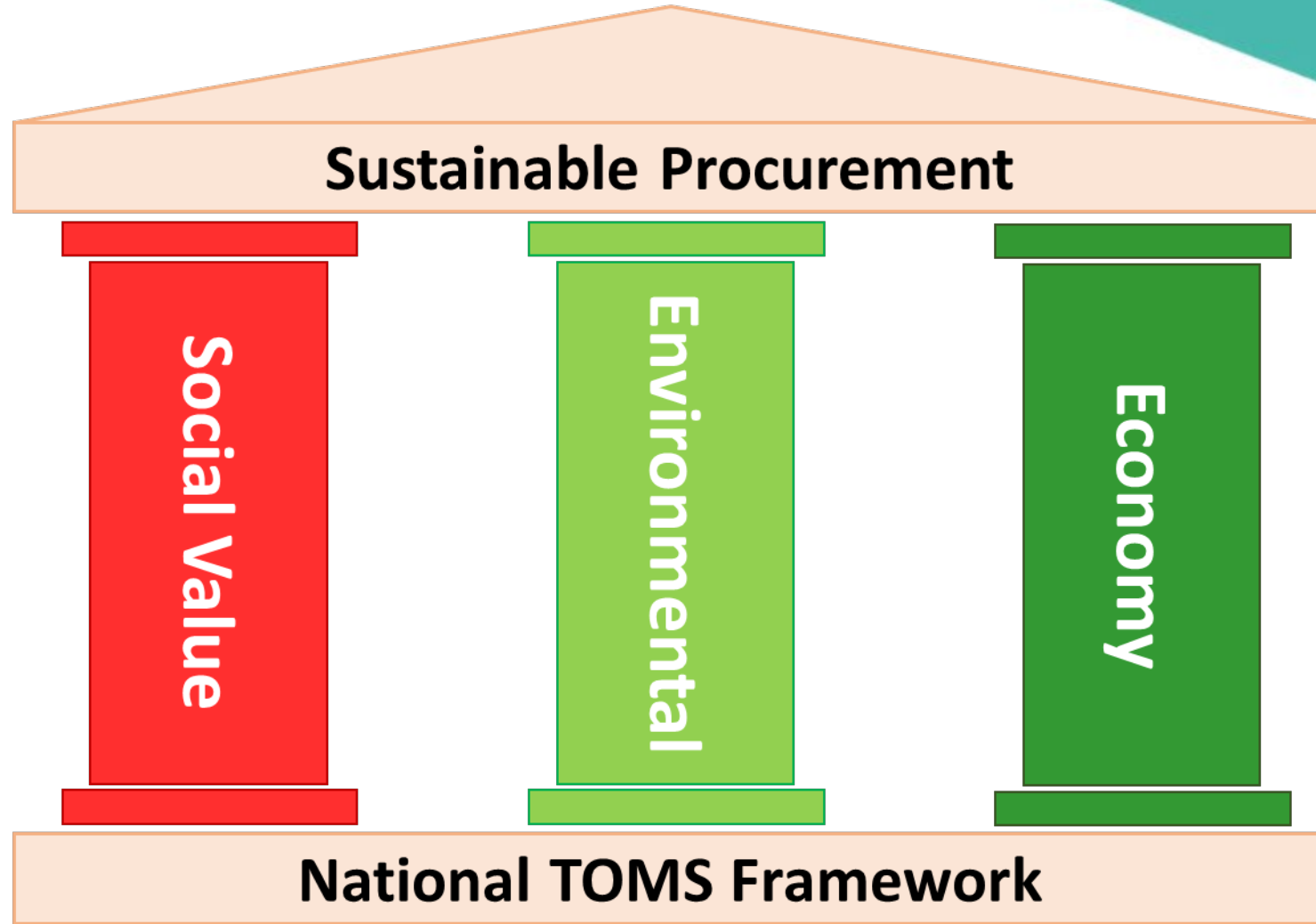
Improvement and Scrutiny Committee

Climate Change, Biodiversity and Carbon Reduction

Procurement @ DCC

Active Contracts: **399**

Awarded Value: **£1,109,370,100**



Social Value Portal

3 Projects Awarded
Total Contract Value
£4,439,103

Committed Social and Local
Economic Value (SLEV)
£1,585,533

Local Economic
Value
£1,059,140

Social Value
£526,393

Social Value

Derbyshire TOMs

Environment: Decarbonising and safeguarding our world

1. Carbon emissions are reduced

2. Air pollution is reduced

3. Safeguarding the natural environment

4. Sustainable Procurement is promoted

Environmental

Environment: Commitments so far...

NT31 - Savings in CO₂e emissions on contract achieved through de-carbonisation (i.e. a reduction of the carbon intensity of processes and operations, specify how these are to be achieved) against a specific benchmark.

1,526 tCO₂e saved | £244.63 per tCO₂e

Committed £SLEV £373,305.38

- Use of thermoplastic materials containing bio-based resins from pine trees.
- Estimated 347 tonnes of road marking material are expected to be used.
- Re-formulated thermoplastics save on average 2.2t CO₂e per tonne of material used.
- Material usage tracked and recorded on the Derbyshire road network.

Environment: Commitments so far...

NT33 - Car miles driven using low or no emission staff vehicles included on project as a result of a green transport programme.

4050 miles driven | **£0.02** per mile

Committed **£SLEV £101.25**

- Staff vehicles are all electric or hybrid vehicles.
- All meetings attended by the supplier within Derbyshire will utilise these vehicles.
- Baseline CO2 / mileage estimates from anticipated monthly contract meetings to be recorded and audited.

Environment: Further Commitments

- Use of a scored **supplier selection** process, ensuring sustainable procurement.
- Working with Sustainability West Midlands to develop **Net Zero pledge**.
- All delivery and construction vehicles are **ULEZ-compliant** and fitted with **Euro 6** engine technology - supporting Derbyshire's "Journey to Net Zero."
- All delivery vehicles are fitted with FuelActive software, including telematic tracking technology monitoring our carbon footprint.
- Use of vehicle telematics system to provide the Council with in-built carbon reporting to accurately **measure Scope 3 emissions**.

Jobs: Commitments

Commitments	Committed £SLEV
33 full time equivalent direct local employees (FTE) hired or retained for the duration of the contract.	£933,306.00
6 full time equivalent employees (FTE) hired on the contract who are NOT in Employment, Education, or Training .	£92,297.42
104 weeks of apprenticeships or T-Levels (Level 2,3, or 4) provided on the contract (completed or supported by the organisation).	£26,186.22

Growth: Commitments

Page 28

Commitments	Committed £SLEV
£300,000 spent in local supply chain through the contract.	£125,834.33
160 voluntary hours donated to support VCSEs (excludes expert business advice).	£2,708.80
£10,000 spent with VCSEs within the supplier's supply chain.	£1,200.00

Social: Commitments

Commitments	Committed £SLEV
£4,500 of donations and/or in-kind contributions to specific local community projects.	£4,500.00
40 hours volunteering time provided to support local community projects.	£677.20

Social Value Portal – The Future

✓ Continue Pilot

Page 30

✓ All projects over Public Contracts Regulations will be reviewed for the inclusion of Social Value

✓ Review of the Derbyshire TOMs

✓ Market Engagement with Supply Chain

Ongoing and Future work

- Policy promoted and available to staff on 'Our Derbyshire.'

- Procurement staff attended 'Journey to Net Zero' event at County Hall.

- Reviewing processes and documentation to reduce burden on suppliers.

Sustainable Requirements for Tenders

- Mandatory, scored or information only requirements.

- To be used in procurements related to the subject area.

- Regular review to ensure requirements are up to date.

- Future work on how the information is recorded and reported upon.