



# Sustainable Procurement Policy

## Document Revision History and Key Facts

Version	Issue date	Policy/Guidance owner	Date of next review	Comments/ brief description of main changes in this revision
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## Table of Contents

	Page
<b>1 Introduction</b> .....	3
<b>2. Purpose</b> .....	3
<b>3. Scope of the Policy</b> .....	3
<b>4. PPCS Category Structure and Sustainability</b> .....	5
<b>5. How Sustainable Procurement Practices are monitored</b> .....	6

Date of last review	03/05/2017
Date due for review	01/01/2018

## **I Introduction**

- 1.1. Sustainable procurement is concerned with economic, social and environmental impacts of purchasing decisions.
- 1.2. The Public Contracts Regulations 2015 allow contracting authorities to make use of public procurement in support of common societal goals, provided that these are relevant and proportionate to the subject matter of the contract. Contracting authorities can therefore request certification/labels or other equivalent evidence of 'additionality' benefits through the procurement process, provided always that these are linked to the subject matter of the contract and that this is done in a transparent, non-discriminatory and proportionate way.
- 1.3. This policy is in the spirit of the Public Services (Social Value) Act 2012, which requires a "relevant authority" buying services to consider "(a) how what is proposed to be procured might improve the economic, social and environmental well-being of the relevant area, and (b) how, in conducting the process of procurement, it might act with a view to securing that improvement". The Act applies only to England and not expressly to Parliament and we cannot apply it by analogy because Parliament does not have a "relevant area".
- 1.4. The Finance Directors of the two Houses have discretion to amend this document, referring significant policy changes to the Management Boards (or equivalent).

## **2. Purpose**

- 2.1. The purpose of this Policy document is to ensure that sustainability objectives agreed by one or both Houses are implemented when running procurements and managing contracts.
- 2.2. This Policy has been developed by PPCS which is responsible for providing advice and support to staff throughout the various stages of the procurement and contract management life cycle. It is relevant to Project Leaders, Project Managers, Budget Holders, and Contract Managers, end users, suppliers and sub-contractors.
- 2.3. The objectives and requirements set out in this document are mandatory and applicable to both Houses and the Parliamentary Digital Service.

## **3. Scope of the Policy**

- 3.1. Each House has agreed the following sustainability objectives that we should seek to achieve when purchasing goods or services from third party providers. These objectives are in addition to legal requirements, for example, under environmental legislation.

Date of last review	03/05/2017
Date due for review	01/01/2018

- The supplier understands the importance to Parliament of and practices equal opportunities, inclusivity and diversity in relation to staff performing our contracts;
- The staff concerned with providing the goods and services work in conditions that are beneficial to their welfare;
- Staff working on our premises (or for the HoC delivering services to us) are paid the applicable Living Wage;
- Consideration will be given to whether there is a competitive market in which to purchase Fairly Traded products;
- Food and beverages purchased meet recognised industry standards which ensure high standards of animal welfare and environmental protection (in addition to the safety and hygiene standards we require)<sup>1</sup>;
- Each House purchases only sustainable seafood;
- The supplier performs the contract in accordance with an environmental policy that aims to conserve energy, water, wood, paper and other resources, reduce waste and phase out the use of ozone depleting substances and minimise the release of greenhouse gases, volatile organic compounds and other substances damaging to health and the environment<sup>2</sup>;
- A contractual obligation to comply with the Waste, Electrical and Electronic Equipment legislation ('WEEE legislation') and all relevant environmental legislation<sup>3</sup>;
- A contractual obligation to comply with health and safety law and best practice for the benefit of their staff and people on our premises;
- When the contract is of a kind that would be suitable for apprentices or engagement in a training agreement, a company's commitment to workplace training should be secured;
- Ensure that we encourage the participation of SMEs in order to ensure a level playing field;

<sup>1</sup> The Catering Departments of each House have separate "Responsible Catering Policy" and the requirements of this are incorporated into our procurement requirements..

<sup>2</sup> This will be our standard clause for all contracts. We will look at all the stated environmental objectives when planning procurements to consider what others may need to be included as evaluation criteria. This is a statement of the current environmental objectives set out on the Environment Team's website: <https://intranet.parliament.uk/access-buildings/building-works/environment-and-parliament/policy/> .

<sup>3</sup> We have chosen to make compliance a contractual obligation to ensure we re-inforce the importance of compliance and permit termination of the contract for non-compliance with legislation, even though such non-compliance may not hinder the contractor's ability to perform the contract. The same approach is taken for health and safety.

Date of last review	03/05/2017
Date due for review	01/01/2018

- Suitable opportunities are identified to award contracts to Social Enterprises which reinvest their profits towards social and environmental sustainability objectives in line with our own.

3.2. PPCS supports these sustainability objectives by:

- Making sure internal business areas consider sustainability objectives when drafting their specification of requirements to ensure we receive sustainable solutions from the market;
- Providing clear guidance to suppliers to help them to understand our requirements, selection and award process and encouraging them to offer sustainable solutions;
- Incorporating social, economic and environmental sustainability criteria into our scoring mechanisms when any of these factors are relevant to the subject matter of the contract;
- Encouraging the inclusion of Small and Medium Size Enterprises (SMEs) by making our procurement processes proportionate and indicating contracts that are particularly suitable for them;
- Identifying contracts that are particularly suitable for Social Enterprises at an early stage in the procurement process;
- Ensuring that our contract terms and conditions oblige contractors to comply with law and best practice in the field of sustainability including environmental, social and economic;
- Requiring contract managers to monitor compliance with sustainability objectives as set out in the Contracts Management Rules.

#### 4. PPCS Category Structure and Sustainability

4.1. Procurement activities in PPCS are divided into three main spend categories:

- Information, Communications and Technology (ICT)
- Services and Supplies
- Works

4.2. Each category has its own sustainability checklist of key requirements that must be considered in respect of certain contracts. So for example, the ICT Team may include requirements, depending on the nature of the contract, for solutions which

Date of last review	03/05/2017
Date due for review	01/01/2018

include environmentally responsible disposal and packaging, power efficiency and environmental benefits derived from the solution they propose. The Services and Supplies team will ensure we consider purchasing fairly traded coffee, chocolate and other produce, and monitor the provenance of food items when going to the market for those supplies. The Works Team may specify requirements to deal with waste in an environmentally responsible way, require sustainable solutions to the use of energy or ensure that apprentices are engaged on contracts carrying on a trade such as roofing.

- 4.3. By having dedicated category teams with relevant levels of expertise, PPCS is able to engage with the market and internal clients in relation to technical areas to ensure we properly define our requirements, benefit from innovations in the market and are aware of market trends.
- 4.4. When planning a procurement, business areas must consider the sustainability objectives set out in this policy document. It is the project/contract manager's responsibility to get to know the category team in PPCS by arranging a meeting with them and discussing future requirements so that PPCS have the time to ensure contracts secure the most sustainable outcome for each House.

## **5. How Sustainable Procurement Practices are monitored**

- 5.1. The Contract Management Rules sets out the monitoring requirements for Contract Managers and the information they must provide to PPCS to demonstrate that suppliers are delivering to agreed requirements. PPCS will be responsible for monitoring the following sustainability objectives directly and for ensuring that Contract Managers monitor the others:

### **Living Wage**

- 5.2. Both Houses of Parliament are accredited by Citizens UK (CUK) as London Living Wage Employers. PPCS ensures that all suppliers working on our premises pay their Dedicated Staff at least the LLW. Dedicated Staff means anyone who provides a service to or on behalf of the Authority involving 2 or more hours of work in any given day in a week, for 8 or more consecutive weeks in a year, including sub-contractors staff but excluding apprentices, interns and anyone under 18.
- 5.3. Additionally, for House of Commons contracts and where the Lords and Commons contract together jointly, suppliers and sub-contractors providing services in relation to our contracts, while not having a presence on parliamentary premises, pay their Dedicated Staff at least the LLW or the UKLW if based outside London.
- 5.4. Increases in the LLW and UKLW must be applied within 6 months of announcement of the new rates.

Date of last review	03/05/2017
Date due for review	01/01/2018

5.5. In order to ensure that suppliers are compliant, PPCS will:

- insert specific living wage clauses in the Invitation to Tender documents and in our Standard Contract Terms and Conditions;
- ask tenderers whether they are accredited Living Wage Employers themselves;
- notify suppliers of when the living wage rates change;
- monitor compliance by carrying out audits and verifying evidence from relevant suppliers.

### **Social Enterprises**

5.6. Each House has been awarded “Buy Social” status by Social Enterprise UK in recognition of the presence of social enterprises in their supply chains and their commitment to fair, accessible and open procurement processes. These organisations help us to fulfil our objectives because they channel their profits to social and environmental causes and behave in a socially/environmentally responsible way when performing their business.

5.7. Each House shall identify contracts in relation to which there is a competitive Social Enterprise market and which are low value and would otherwise be awarded by way of receiving quotes from 3 companies. The request for quotes will be sent to relevant Social Enterprises identified on the Register of Social Enterprises compiled by Social Enterprise UK which maintains the largest membership database. Quotes may be sought elsewhere if necessary. Evaluation may have regard to Social Enterprise status, subject to the provisos set out in section 1.1.

5.8. The total amount of Social Enterprises expressing an interest in our contracts and the amount of contracts awarded to Social Enterprises will be monitored each year by PPCS.

### **Small and Medium Sized Enterprises**

5.9. The usual definition of an SME is any business with fewer than 250 employees.

5.10. The Houses recognise the importance of encouraging the participation of SMEs in our procurement processes. PPCS take the following steps to encourage and monitor their participation:

- Identify and signify those contracts that are particularly suitable for SMEs (because they do not require significant turnover or resource capable of ensuring business continuity) when advertising the opportunity;
- Review the tender documentation to ensure it does not impose barriers that would make it less attractive to SMEs e.g. due to requiring a lot of time and effort to complete tender documents or by imposing unnecessary turnover levels at the financial selection stage;
- Monitor the response and success rate of SMEs by inviting companies to identify themselves as being an SME when bidding for our work.

Date of last review	03/05/2017
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