

# Sustainable Procurement in Government: Guidance to the Flexible Framework





# Contents

<b>Introduction</b>	<b>4</b>
<b>People Introduction</b>	<b>6</b>
People Level 1	7
People Level 2	7
People Level 3	8
People Level 4	9
People Level 5	10
<b>Policy, Strategy and Communications Introduction</b>	<b>11</b>
Policy, Strategy and Communications Level 1	12
Policy, Strategy and Communications Level 2	12
Policy, Strategy and Communications Level 3	13
Policy, Strategy and Communications Level 4	13
Policy, Strategy and Communications Level 5	14
<b>Procurement Process Introduction</b>	<b>15</b>
Procurement Process Level 1	16
Procurement Process Level 2	17
Procurement Process Level 3	17
Procurement Process Level 4	18
Procurement Process Level 5	19
<b>Engaging Suppliers Introduction</b>	<b>20</b>
Engaging Suppliers Level 1	21
Engaging Suppliers Level 2	21
Engaging Suppliers Level 3	22
Engaging Suppliers Level 4	23
Engaging Suppliers Level 5	24
<b>Measurement and Results Introduction</b>	<b>25</b>
Measurement and Results Level 1	25
Measurement and Results Level 2	26
Measurement and Results Level 3	26
Measurement and Results Level 4	27
Measurement and Results Level 5	28
<b>Annexes</b>	<b>29-33</b>

## Acronyms used in this document

BIS	Department for Business, Innovation and Skills
EMS	Environmental Management System
CESP	Centre of Expertise in Sustainable Procurement
CSR	Comprehensive Spending Review
GBS	Government Buying Standards
GGC	Greening Government Commitments
HMRC	Her Majesty's Revenue and Customs
ITT	Invitation To Tender
LCA	Life Cycle Analysis
MOD	Ministry of Defence
NDPB	Non Departmental Public Bodies
P4CR	Procuring for Carbon Reduction
PtP	Policy through Procurement
SDAP	Sustainable Development Action Plan
SMEs	Small and medium enterprises
SPAP	Sustainable Procurement Action Plan
SPTF	Sustainable Procurement Task Force
SRO	Senior Responsible Owner
SVIAP	Supplier Value and Innovation Award Programme
WLC	Whole Life Cost
EA	Environment Agency
FM	Facilities Management
CEO	Chief Executive Officer
CPD	Continuous Professional Development
Defra	Department for Environment Food and Rural Affairs
GPS	Government Procurement Service
HMT	Her Majesty's Treasury
KPIs	Key Performance Indicators
MEAT	Most Economically Advantageous Tender
MTF	Marrakesh Task Force
OGC	Office of Government Commerce
PQQs	Pre Qualification Questionnaire
SD	Sustainable Development
SP	Sustainable Procurement
SPS	Sustainable Procurement Strategy
SRM	Supplier Relationship Management
SVAP	Supplier Value Award Programme
TNA	Training Needs Analysis

	Foundation – Level 1	Embed – Level 2	Practice – Level 3	Enhance – Level 4	Lead – Level 5
<b>People</b>	Sustainable Procurement champion identified. Key procurement staff have received basic training in Sustainable Procurement principles. Sustainable Procurement is included as part of a key employee induction programme.	All procurement staff have received basic training in sustainable procurement principles. Key staff have received advanced training on sustainable procurement principles.	Targeted refresher training on latest Sustainable Procurement principles. Performance objectives and appraisal include Sustainable Procurement factors. Simple incentive programme in place.	Sustainable Procurement included in competencies and selection criteria. Sustainable Procurement is included as part of employee induction programme.	Achievements are publicised and used to attract procurement professionals. Internal and external awards are received for achievements. Focus is on benefits achieved. Good practice shared with other organisations.
<b>Policy, Strategy and Communications</b>	Agree overarching Sustainability objectives for procurement. Simple Sustainable Procurement policy in place endorsed by CEO. Communicate to staff and key suppliers.	Review and enhance sustainable procurement policy, in particular consider supplier engagement. Ensure it is part of a wider Sustainable Development strategy. Communicate to staff, suppliers and key stakeholders.	Augment the Sustainable Procurement policy into a strategy covering risk, process integration, marketing, supplier engagement, measurement and a review process. Strategy endorsed by CEO.	Review and enhance the Sustainable Procurement strategy, in particular recognising the potential of new technologies. Try to link strategy to EMS and include in overall corporate strategy.	Strategy is: reviewed regularly, externally scrutinised and directly linked to organisations' EMS. The Sustainable Procurement strategy recognised by political leaders, is communicated widely. A detailed review is undertaken to determine future priorities and a new strategy is produced beyond this framework.
<b>Procurement Process</b>	Expenditure analysis undertaken and key Sustainability impacts identified. Key contracts start to include general Sustainability criteria. Contracts awarded on the basis of value-for-money, not lowest price. Procurers adopt Government Buying Standards.	Detailed expenditure analysis undertaken, key Sustainability risks assessed and used for prioritisation. Sustainability is considered at an early stage in the procurement process of most contracts. Whole-life Costing analysis adopted.	All contracts are assessed for general Sustainability risks and management actions identified. Risks managed throughout all stages of the procurement process. Targets to improve Sustainability are agreed with key suppliers.	Detailed Sustainability risks assessed for high impact contracts. Project/contract Sustainability governance is in place. A life-cycle approach to cost/impact assessment is applied.	Life-cycle analysis has been undertaken for key commodity areas. Sustainability Key Performance Indicators agreed with key suppliers. Progress is rewarded or penalised based on performance relevant to the contract. Barriers to Sustainable Procurement have been removed. Best practice shared with other organisations.
<b>Engaging Suppliers</b>	Key supplier spend analysis undertaken and high sustainability impact suppliers identified. Key suppliers targeted for engagement and views on procurement policy sought.	Detailed supplier spend analysis undertaken. General programme of supplier engagement initiated, with senior manager involvement.	Targeted supplier engagement programme in place, promoting continual Sustainability improvement. Two way communication between procurer and supplier exists with incentives. Supply chains for key spend areas have been mapped.	Key suppliers targeted for intensive development. Sustainability audits and supply chain improvement programmes in place. Achievements are formally recorded. CEO involved in the supplier engagement programme.	Suppliers recognised as essential to delivery of organisations' sustainable procurement strategy. CEO engages with suppliers. Best practice shared with other/peer organisations. Suppliers recognise they must continually improve their Sustainability profile to keep the client's business.
<b>Measurements and Results</b>	Key Sustainability impacts of procurement activity have been identified. Simple measures based on achieving all aspects of the Foundation level of the flexible framework are put in place and delivered.	Detailed appraisal of the Sustainability impacts of the procurement activity has been undertaken. Measures implemented to manage the identified high risk impact areas. Simple measures based on achieving all aspects of the Embedding level of the flexible framework are put in place and delivered.	Sustainability measures refined from general departmental measures to include individual procurers and are linked to development objectives. Simple measures based on achieving all aspects of the Practicing level of the flexible framework are put in place and delivered.	Measures are integrated into a balanced score card approach reflecting both input and output. Comparison is made with peer organisations. Benefit statements have been produced. Simple measures based on achieving all aspects of the Enhancing level of the flexible framework are put in place and delivered.	Measures used to drive organisational sustainable development strategy direction. Progress formally benchmarked with peer organisations. Benefits from Sustainable Procurement are clearly evidenced. Independent audit reports available in the public domain. Simple measures based on achieving all aspects of the Leading level of the flexible framework are put in place and delivered.



# Chapter 1

## Introduction

Procurement is one of the key drivers of change in any organisation, whether public or private sector, and is increasingly becoming a mechanism for policy delivery. All public procurement in the UK is required to achieve value for money and is governed by the public procurement rules<sup>1</sup> to ensure that it is fair and open. Importantly, there is no legal barrier to embedding sustainability within public procurement<sup>2</sup>.

The Flexible Framework is a widely used self-assessment mechanism developed by the business-led Sustainable Procurement Task Force, which allows organisations to measure and monitor their progress on sustainable procurement over time.

The framework was designed so that it could be used by all organisations: from those with significant levels of procurement expertise and resource to those with very limited resource at their disposal. The recommended approach to implementing the Flexible Framework is to systematically work through each theme from levels one to five.

This guide to the Flexible Framework provides definitions of the terms used in the themes and sets out the activities that Departments can undertake in order to meet the outcomes in the Flexible Framework. It also supports progress against the **Greening Government Commitments**. The examples of activities referred to in this document are illustrative only and are meant to stimulate ideas rather than be used as they are.

---

<sup>1</sup> i.e. the EU Procurement Directives which are implemented by UK legislation

<sup>2</sup> This document does not deal expressly with the application of procurement law. All the guidance provided in the document should be applied in a manner consistent with the requirements of procurement law including, without limitation, the Public Contracts Regulations 2006 (as amended) and the EC law principles of equal treatment, transparency and proportionality. In particular, sustainability requirements must be relevant to the subject-matter of the contract and in accordance with such principles. Guidance on procurement law should be sought from your relevant legal adviser.

---

This guide is a concise version of the Flexible Framework Solution which is an electronic guidance package which supports the implementation of the Flexible Framework across the procurement cycle. You will find that the Flexible Framework Solution expands on the suggested activities and provides further detail on the examples and definitions. It is also a project assessment tool that can support implementation of the Flexible Framework in a structured and methodical way and which enables you to assess and record your progress. We hope that this guide will lead you into the Flexible Framework Solution which can be obtained from [www.defra.gov.uk](http://www.defra.gov.uk). See Annex for further information.

Whilst use of this guide and the Flexible Framework Solution Package is voluntary, it covers activities and reporting requirements which are **mandatory** under the Greening Government Commitments for central Government (including compliance with Government Buying Standards). Therefore if your organisation is included in the scope of the Greening Government Commitments (GGC) and your organisation chooses not to adopt the FF Solution for either training or assessment you will need to ensure that your performance against the sustainable procurement requirements in the GGC are recorded elsewhere.

## Chapter 2

# People

This theme focuses primarily on **training** and **capacity building**. Your organisation should try to have a mechanism in place to identify and address training needs for staff (e.g. Training Needs Analysis or Training Plan) which sets out which staff roles are defined as key and why and how and when all relevant staff needs will be met. Training can be classroom-based, online, as part of job-shadowing or desk training. All training should be regularly reviewed and revised. It may be useful to “buddy up” with another organisation to jointly meet training needs.

Training should be made accessible and communicated to all staff; staff should be aware of their training requirements. You should consider baselining working knowledge of sustainable procurement principles across the organisation; you can then test progress through staff surveys. The different types of training covered in this theme are summarised below:

### Induction programme (Level 1)

- Should make clear how soon after new staff arrive, the induction should be delivered.
- Could be specific and tailor-made for the procurement team, or generic and part of a wider organisational induction package.

- Should cover sustainability in as much depth as is appropriate.

### Basic training (Level 1)

- Should explain how sustainability can be taken into account across the procurement cycle (within the public procurement rules).
- Can be classroom-based, online or coaching and can vary in length.
- Should aim to include an evaluation and monitoring process.

### Advanced training (Level 2)

In addition to the requirements of basic training, this should:



- Give key staff the confidence to embed sustainability considerations into their work (by informing them about tools and encouraging them to contribute ideas).
- Include references to key Government policy priorities (such as GBS) and any relevant EU initiatives.
- It is recommended that it be delivered through classroom-based training with an evaluation mechanism.

It may also include separate sessions on specific issues such as Equality Impact Assessments. Training may be delivered by external providers or 'in-house.'

### Targeted refresher training (Level 3)

- For individuals whose areas have seen recent policy changes and to keep key staff up to date with sustainable procurement policy
- Part of Continuous Professional Development, be communicated to all personnel, and allow for feedback
- Could also be part of a wider training programme across the organisation, based on the National Sustainable Public Procurement training programme which includes a *Train-the-Trainer* approach.

## People Level 1

**Sustainable Procurement champion identified. Key procurement staff have received basic training in Sustainable Procurement principles. Sustainable Procurement is included as part of a key employee induction programme.**

### Sustainable Procurement champion identified.

The sustainable procurement champion:

- Should be a **senior figure** within the organisation that can influence decision making (e.g. a Management Board member or Procurement/Commercial Director with responsibility for sustainable procurement).
- Should have their **name and responsibilities** clearly documented.
- Could be more than one person – with an explanation of how responsibilities are split.

### Key procurement staff have received basic training in Sustainable Procurement principles.

Please see the Government Procurement Service's **definition of a 'procurement professional'**. Key procurement staff could also include staff from full time procurers with responsibility for high impact procurements, sourcing managers to tactical sourcing staff. It could also be a member of staff in each unit, if your organisation's procurement is dispersed. Key procurement staff do **not** necessarily have to be defined by name; a list of key **roles** is equally appropriate.

### Sustainable Procurement is included as part of a key employee induction programme.

It is important to ensure that you have a clear idea of who your key employees are. The definition of key employees goes beyond procurement staff, for example to Estate Managers or major internal clients.

You can demonstrate achievement of this requirement by providing evidence that key employees joining the organisation during the reporting period have successfully completed the induction programme, or that sustainable procurement messages have been embedded in the organisation-wide induction programme.

## People Level 2

**All procurement staff have received basic training in sustainable procurement principles. Key staff have received advanced training on sustainable procurement principles.**

### All procurement staff have received basic training in sustainable procurement principles.

Procurement is a process that may involve the skill set of several people from beginning to end.

As well as key staff **all** procurement staff could include: designers, budget holders, specifiers, internal clients, contract managers, and all other staff with responsibility for shaping procurement decisions.

Where possible it is recommended that all procurement staff, in post for six months or more, should have received basic sustainable procurement training. Whilst there may be exceptions to this – i.e. staff that are critical to a high sustainability impact project – where good practice would be to ensure that they receive basic training immediately.

### E-Learning

**Training** in sustainable procurement is now available through the **National Sustainable Public Procurement Programme** which explains how to embed sustainability throughout the procurement cycle. There are also specific modules for carbon literacy and food. See: <http://sd.defra.gov.uk/advice/public/buying/>

The Department of Health has overall policy responsibility for sustainable procurement within the NHS and has commissioned an e-learning training package for the NHS. The training is targeted at initial awareness raising on environmental and social issues in procurement. For further information please contact: [sustainable.procurement@dh.gsi.gov.uk](mailto:sustainable.procurement@dh.gsi.gov.uk)

For larger organisations it may be challenging to meet this requirement. It would be acceptable to ensure that basic training is accessible by all procurement staff with evidence that the organisation is making a commitment to train as many as possible. Evidence in support of this requirement could be provided by: progress against commitments made in the Training Plan (if in place); records of training sessions completed (including numbers and evidence of effectiveness of training); or personal development plans. In addition, you may wish to develop an approach to raising awareness in sustainable procurement across the whole organisation (not just for procurement staff), which will pave the way for reaching future levels in the Flexible Framework.

### Key staff have received advanced training on sustainable procurement principles.

- **target** key procurement staff for advanced training.

- key staff to take responsibility for **development of own knowledge.**

The type of evidence that would demonstrate achievement of this requirement includes: progress against commitments made in the Training Plan (or for key procurement staff in their Continuous Professional Development Log) or records of training sessions completed, including numbers.

### People Level 3

**Targeted refresher training on latest sustainable procurement principles. Performance objectives and appraisal include sustainable procurement factors. Simple incentive programme in place.**

#### Targeted refresher training on latest sustainable procurement principles.

- **target** key staff or those affected by recent policy changes, or
- part of a **Continuous Professional Development (CPD)** programme focussed on sustainable procurement

At this level staff training needs will have been identified and addressed on a regular basis, in line with the Training plan and staff requiring refresher training will have been identified. Any description/documentation of the training programme (for instance presentations or feedback forms), is useful evidence to demonstrate achievement of this requirement. The training may only need to be a couple of hours long, delivered online or it could be part of a wider training programme delivered across functions.

#### Performance objectives and appraisal include Sustainable Procurement factors

- **personal objectives** include a reference to sustainability or sustainable procurement and the outcomes that need to be achieved. All procurement staff should aim to have generic personal development objectives for sustainable procurement.
- **sustainability achievements** are reflected in the **annual appraisal** for procurement staff.

### Performance Objectives

Performance objectives, should be in place for all staff in post for longer than six months (permanent and interim). They should be SMART, with particular emphasis on 'measurable' so that staff can demonstrate (with evidence) that they have achieved them. *Please note that people can refuse to have their performance evaluated against an objective for which they have not received **any** form of training or support.*

### Simple incentive programme in place.

Staff should feel supported and rewarded. Staff incentives may be part of your organisation's wider performance related reward scheme, or a specific scheme for the procurement team<sup>3</sup>. The scheme may be specifically related to sustainability. Success should be noted in appraisals.

A simple incentive programme could include:

- **acknowledgement** of success and accomplishment e.g. performance related bonus or a thank you letter from senior management.
- access to **career opportunities**.

### Staff Incentivisation

See Flexible Framework Solution for example.

## People Level 4

**Sustainable Procurement included in competencies and selection criteria.**  
**Sustainable Procurement is included as part of employee induction programme.**

### Sustainable Procurement included in competencies and selection criteria.

- **embed** in the way existing staff are developed.
- incorporate in **recruitment** of new staff.

### Competencies

Sustainability or sustainable procurement considerations could be reflected in the competency framework for the whole organisation or specifically for posts in procurement. You should be able to use this framework to measure performance of secondees and interim staff. Sustainability issues could also be further integrated in Human Resource policies, e.g. by linking sustainability objectives to workforce skills planning.

### Selection Criteria

Recruitment, for relevant staff, should reflect your organisation's objectives with regard to sustainable procurement. The selection criteria may be generic sustainability selection criteria for the whole organisation or job-specific. They should be part of the recruitment process in procurement/commercial/finance teams and link to the organisation's policy objectives. It may be appropriate to explore not only past experience but also commitment to improve understanding in the future. For certain procurement roles (e.g. Head of Procurement) it could be deemed an appropriate requirement that the applicant has prior experience in sustainable procurement.

### Sustainable Procurement is included as part of employee induction programme.

- **build capacity** across the organisation.
- incorporate in **recruitment of new staff**.

Almost every member of staff will at some point purchase something or ask the procurement team to help them procure a service. Your organisation should consider that new staff, intending to be in post for more than twelve months, should undergo induction within a set period of time from joining (e.g. one month).

<sup>3</sup> For the Government Procurement Profession please also refer to the GPS Rewards Strategy.

## People Level 5

**Achievements are publicised and used to attract procurement professionals. Internal and external awards are received for achievements. Focus is on benefits achieved. Good practice shared with other organisations.**

### Achievements are publicised and used to attract procurement professionals.

You could:

- share **good practice** externally – e.g. through best practice groups and annual reporting.
- undertake **benchmarking** exercises – to baseline and plan improvement, with the aim of being recognised by peers as a centre of good practice in sustainable procurement.
- explore whether your organisation is **attracting** (or how it could attract) **candidates** with an interest in sustainable procurement – develop approaches to capture **why people apply** for posts.
- advertise job descriptions that specifically mention sustainable development and procurement achievements.

### Internal and external awards are received for achievements.

Nominations may be for teams or individuals that are recognised for, and assessed on the benefits delivered in relation to sustainability (not just on good procurement case studies).

### Focus is on benefits achieved.

Leading organisations should have high levels of awareness across staff and roles: staff recognise the benefits of sustainable procurement and proactively seek to improve performance.

In addition to tracking the effectiveness of training and staff understanding of sustainable procurement you could, for example, also establish a system to capture procurers contribution towards GGC targets and wider sustainability objectives including the GBS and measuring supply chain impacts.

### Good practice shared with other organisations.

You could share good practice with a variety of audiences through:

- **workshops** or conference **seminars**.
- developing good **case studies** (with an emphasis on people development and behaviour change and long term cost savings).
- using a central hub for sharing good practice.

## Chapter 3

# Policy, Strategy and Communications

In this theme we address embedding sustainability into procurement through policy and strategy<sup>4</sup>, underpinned by good communications. The key milestones in doing this are summarised below.

The first step is setting **overarching sustainability objectives for procurement** for your organisation and ensuring your procurement/commercial team is fully aware of sustainable procurement policy. These may be driven from key Government priorities (such as the Greening Government Commitments framework) as well as areas of importance to your organisation's outputs (such as Public Service Agreements).

These overarching sustainability objectives can then be used to direct specific activities, through your sustainable procurement policy and strategy. The **sustainable procurement policy** may be generic or may refer to specific issues/initiatives (e.g. GGC). Alternatively, incorporating sustainability within the main procurement policy is an indicator of further integration of sustainability within the organisation's procurement.

The **sustainable procurement strategy (SPS)** builds on, and goes beyond, the policy and it should include a mechanism for regular review. The SPS need not be a separate strategy if the organisation already has an adequate procurement or commercial strategy for sustainability. The strategy has more "buy in" if developed with the involvement of stakeholders. It should:

- Set out the overarching sustainability objectives (and how these fit with wider organisation objectives) and key objectives of category strategies as appropriate.
- It should address: risk, process integration, marketing, supplier engagement and measurement.
- Be communicated widely within the organisation and be available externally.

---

<sup>4</sup> This guidance treats policy as the destination and strategy as the means of getting there

---



**Communication** is key for both policy and strategy:

- Key staff, suppliers and stakeholders should be aware of, and have been involved in the development of either documents.
- Use active and passive communication channels, potentially supported by a communications strategy (different methods will work for different stakeholders).
- Use (or establish) channels between the procurement function and the rest of the organisation.
- Use a feedback loop to keep improving your communications.

### Policy, Strategy and Communications Level 1

**Agree overarching sustainability objectives for procurement. Simple sustainable procurement policy in place endorsed by CEO. Communicate to staff and key suppliers.**

#### Agree overarching sustainability objectives for procurement.

As evidence of meeting this requirement your organisation could provide their agreed sustainability objectives for procurement.

#### Simple sustainable procurement policy in place endorsed by CEO.

- develop a **sustainable procurement policy**; or
- **adapt** an existing procurement policy that includes **sustainability**.

A simple sustainable procurement policy **or** a procurement policy that incorporates sustainability considerations should be in place and endorsed by the highest ranking official within the organisation (equivalent to CEO).

### Sustainable Procurement Policy

The North West Development Agency's Sustainable Procurement policy represents the collaboration of a number of authorities in the region. It has senior level endorsement, one main aim that is clearly stated, and five key principles that are important to the region. See Flexible Framework Solution for further details.

You can also find useful information on how to direct sustainable procurement in an organisation with Defra's sustainable procurement policy  
<http://www.defra.gov.uk/corporate/about/procurement/>

#### Communicate to staff and key suppliers.

- make key procurement staff **aware** of the sustainable procurement policy.
- use stakeholder analysis to **identify** their key players.
- develop a **communications plan**.
- establish **feedback loops**.

Policies have to be actively communicated (in addition to being made public) to be effectively implemented.

### Policy, Strategy and Communications Level 2

**Review and enhance sustainable procurement policy, in particular consider supplier engagement. Ensure it is part of a wider Sustainable Development strategy. Communicate to staff, suppliers and key stakeholders.**

#### Review and enhance sustainable procurement policy, in particular consider supplier engagement.

- engage with relevant **stakeholders** to review your policy.
- **integrate** sustainability into your organisation's main procurement policy.

Enhancing a simple policy will normally require engaging with stakeholders to incorporate more detail (e.g. on resource efficiency). Ideally, the revised policy should be signed off by a senior official such as the CEO or Permanent Secretary.

### Ensure it is part of a wider Sustainable Development strategy.

- **Sustainable Development strategy** should link to the role of procurement.

The sustainable procurement policy should form part of, or link with, a wider Sustainable Development Strategy. Your organisation should have a documented approach to delivering sustainable development objectives that links to the role of procurement (such as a sustainable development strategy or a Sustainable Development Action Plan). Alternatively, the organisation's Corporate Strategy may incorporate sustainability considerations and links to the sustainable procurement policy.

### Communicate to staff, suppliers and key stakeholders

The communication strategy should include **raising awareness** on sustainable procurement across the organisation through awareness events that are open to all staff. Surveys could be used to inform you of the effectiveness of communications and assess levels of awareness of sustainability objectives and targets.

### Policy, Strategy and Communications Level 3

**Augment the Sustainable Procurement policy into a strategy covering risk, process integration, marketing, supplier engagement, measurement and a review process. Strategy endorsed by CEO.**

#### Sustainable Procurement Strategy

MoD's Sustainable Procurement Strategy is a useful example that relates operational needs with the concept of sustainability. See Flexible Framework Solution.

The Sustainable Procurement strategy should set out the overarching sustainability objectives and describe how these fit with wider organisation objectives. Your Permanent Secretary or CEO should endorse your sustainable procurement policy.

### Policy, Strategy and Communications Level 4

**Review and enhance the Sustainable Procurement strategy, in particular recognising the potential of new technologies. Try to link strategy to Environmental Management System and include in overall corporate strategy.**

#### Review and enhance the Sustainable Procurement strategy (SPS), in particular recognising the potential of new technologies.

- regular **review** and **evaluation** mechanism in place to measure progress against the SPS.
- link the strategy to **innovation** plans.

The review of the strategy should be informed by an evaluation of the organisation's progress against its existing strategy and any revised strategy should be signed off by the CEO/Permanent Secretary. A process to capture feedback from stakeholders should also feed into the review.

The SPS should address new challenges (such as adaptation to climate change) and encourage innovation. You could also encourage the integration of sustainable procurement within other organisational strategies such as innovation and cost effectiveness.

#### Try to link strategy to Environmental Management System and include in overall corporate strategy.

Your organisation's corporate strategy should set out the importance of sustainable procurement. Further integration of sustainable procurement with other policies and strategies, or the EMS, is desirable (and *required*) for Central Government.

Communication to internal staff should begin to describe tangible benefits (see the measurement and results section). Your organisation could also explore the use of Corporate Reporting to collate and present benefits of sustainable procurement.

## Policy, Strategy and Communications Level 5

**Strategy is reviewed regularly, externally scrutinised and directly linked to organisations' EMS. The Sustainable Procurement strategy recognised by political leaders, is communicated widely. A detailed review is undertaken to determine future priorities and a new strategy is produced beyond this framework.**

Strategy is reviewed regularly, externally scrutinised and directly linked to organisations' EMS.

- select number of relevant stakeholders to **scrutinise the strategy** (e.g. suppliers, peers, advisory committees).
- continue to identify and **establish connections** with other policies.

Evidence of meeting this level could be that progress against the SPS is reported to the Board, or by demonstrating that the Board is committed to continuously improving the sustainability of the organisation and its procurement. Your approach to improvement should be open and transparent.

**The Sustainable Procurement strategy recognised by political leaders is communicated widely.**

Recognition may come directly from your peer group or leaders, or indirectly by similar organisations using your strategy as an example. Information on achievements and progress should be made available externally as an example of best practice.

You should continue to build on your communications efforts through: regular stakeholder analysis, updating your communications plans and making the most of internal communications channels. Suppliers should be informed of all relevant policy changes and potential impacts within a defined number of weeks.

**A detailed review is undertaken to determine future priorities and a new strategy is produced beyond this framework.**

The review should seek views from all stakeholders and should take into account issues arising as a result of involvement in cross-Departmental (or industry) groups. The strategy and supporting planning may set goals beyond the Flexible Framework and focus on procurement delivery and compliance.



# Chapter 4

## Procurement Process

This theme focuses on embedding sustainability into the procurement process. The key ways in which this can be done are summarised below.

Conducting **expenditure analysis and prioritisation**, including sustainability considerations, is the first stage. The **Sustainable Procurement Task Force methodology** (or similar) should be used to determine priorities by commodity type. This is available on Defraweb (<http://sd.defra.gov.uk/advice/public/nsppp/prioritisation-tool/>). These considerations will inform the development of category and commodity strategies. Prioritisation of spend should be done on a regular basis in line with budget cycles (Comprehensive Spending Review) to inform future direction.

Sustainability risks are a list of possible impacts that the organisation will be using as a starting point for a sustainability risk assessment. Another important element is conducting **sustainability risk analysis** for high profile contracts. Sustainability risks should as a minimum include GGC, GBS and key Government policy priorities, along with issues that may be specific to your organisation. As a starting point, you should develop a toolkit or methodology to evaluate purchases against a set of policy areas.

A risk assessment will identify responsible owners for managing the sustainability impacts of a purchase. Sustainability risk mitigation plans could be agreed with project managers, specifiers, and engineers etc to ensure that these risks are managed throughout the procurement process. Contract managers could also be involved in the procurement of high impact contracts.

You will also need to agree a suite of **targets** with key suppliers. They should be bilaterally agreed and aimed at improving performance. Ideally they should be embedded in contracts but voluntary targets can be agreed with suppliers. For example in an existing print management contract the organisation had not specified GBS compliance but was now working with the supplier(s) on a voluntary basis to achieve X% compliance.

With a view to the GGC a company could provide information on the carbon emissions associated with providing a product or service to your organisation. *Defra/Decc Guidance on how to measure and report greenhouse gas emissions* is a useful introduction on how this can be achieved.

These can also be in the form of **Key Performance Indicators** (KPIs). Reporting against these can be incorporated within sustainable category and commodity reporting. Some organisations may wish to cascade appropriate targets to Tier 1 and 2 suppliers following supply chain mapping (covered under Engaging Suppliers). Targets could monitor the performance of a supplier's internal practices, where appropriate, or of the whole of the supply chain.

A **whole-life cost** (WLC) approach should be adopted for high impact purchases in line with public procurement rules. Wider costs and benefits, including sustainability, should be part of the decision making process. Life-Cycle Analysis supports a WLC approach and life-cycle costing should be used where appropriate, particularly for high impact procurements. Organisations may find the resource implication of such approaches an opportunity to work and share information with others.

*Please note that suppliers and procurers should be made aware that any agreement or activity which takes place outside the procurement process to encourage more sustainable practices in the supply chain is on a **voluntary basis**.*

## Procurement Process Level 1

**Expenditure analysis undertaken and key Sustainability impacts identified. Key contracts start to include general Sustainability criteria. Contracts awarded on the basis of value-for-money, not lowest price. Procurers adopt Government Buying Standards.**

### Expenditure analysis undertaken and key Sustainability impacts identified.

- need good understanding of **spend profile**.
- high level sustainability **prioritisation** of spend.

Your organisation should have a good enough understanding of its spend profile and be able to provide information on the amount spent by category. Government Procurement Card spend should be accounted for, although at this stage it may not be possible to allocate it by commodity. The results of the spend analysis should divide the overall spend into key sectors/spend types and list these by level of expenditure.

High level sustainability prioritisation of spend may be done by (for example) evaluating the spend categories against key Government policy priorities or cross referencing between the spend categories and the **Sustainable Procurement Task Force** priority categories. As evidence of having achieved this requirement your organisation could present a high-level spend analysis and a high-level sustainability assessment of spend.

### Key contracts start to include general sustainability criteria.

Your organisation should outline which contracts it defines as key and how this selection was made. It could be those with high sustainability impacts, high cost or involving long-term agreements. Evidence for this could be demonstrated by (for example) a checklist of environmental, social and economic considerations for each stage of the procurement process and by contracts where this is reflected in Terms and Conditions.

### Simple Risk Assessment

The Land Registry have developed a quick, Excel-based tool that calculates the overall risk profile of a procurement. For further information please contact the Land Registry Corporate Reporting Team.

### Contracts awarded on the basis of value-for-money<sup>5</sup>, not lowest price.

This requirement could be met through: reporting where Most Economically Advantageous Tender (MEAT) was not used or through regular spot checks on the award criteria.

<sup>5</sup> Defined by HMT securing the best mix of quality and effectiveness for the least outlay over the whole lifetime of the goods or services, from purchase through to disposal

## Procurers adopt Government Buying Standards (GBS).

This means specifying GBS in the ITT for all new relevant contracts and updating existing contracts to include GBS where possible. The Measurement and Results section of this guidance and the Solution provides the mandatory reporting requirements.

## Procurement Process Level 2

**Detailed expenditure analysis undertaken, key Sustainability risks assessed and used for prioritisation. Sustainability is considered at an early stage in the procurement process of most contracts. Whole Life Costing analysis adopted.**

### Detailed expenditure analysis undertaken, key Sustainability risks assessed and used for prioritisation.

- provide a list of **spend categories**.
- establish sustainable procurement priorities.

As a starting point for prioritisation your organisation should be able to provide a list of spend categories that are also broken down to commodities and distinct purchases, if necessary.

You may wish to adapt the SPTF methodology to align it with your sustainability policy objectives. If you use a different approach it should be based on risk assessment and take into account not only sustainability impacts but also the opportunity to influence suppliers. The outcome of detailed prioritisation will be that the detailed sustainability impacts of spend are identified and priorities established. This would provide evidence of achieving this requirement.

### Sustainability is considered at an early stage in the procurement process of most contracts.

- **embedding sustainability** into key contracts.

Bespoke consideration of sustainability impacts is more effective, and carries less risk, than a blanket approach for all procurements. Attention should be focused on categories, commodities or specific procurements that have a high risk. It requires a strategic approach and a shift from consideration of sustainability impacts for selected purchases to comprehensive coverage of most purchases.

### Whole Life Cost analysis adopted.

- process for **spot checking compliance** with Whole Life Cost (WLC).

High impact contracts or procurement decisions<sup>6</sup> should have their costs and benefits analysed over their lifetime before deciding on the best approach. Where appropriate, monetised sustainability impacts may be considered in the financial evaluation of tenders, in line with public procurement rules.

## Procurement Process Level 3

**All contracts are assessed for general Sustainability risks and management actions identified. Risks managed throughout all stages of the procurement process. Targets to improve Sustainability are agreed with key suppliers.**

### All contracts are assessed for general Sustainability risks and management actions identified.

- structured way of ensuring that **sustainability considerations** are part of everyday practice (e.g. incorporating them into category management, with regular progress reporting).
- simple sustainability **risk assessments** for procurements.

All *relevant* procurements should be assessed for sustainability risks, scope and influence management. Actions can then be identified to maximise sustainability performance and minimise sustainability risks for this activity at the most affordable price. A way of demonstrating this is by having a category management approach in place with specific

<sup>6</sup> For example, construction, owning or outsourcing fleet management, IT service or equipment procurement

sustainability impacts identified per category and an analysis conducted down to the commodity level.

#### Risks managed throughout all stages of the procurement process.

- assessment of sustainability impacts as part of **regular contract management**.

Approaches to managing sustainability impacts vary depending on the size and the type of procurement. Possible ways to demonstrate risk management include: assessing and managing sustainability impacts as part of the regular contract management process, or as embedding sustainability as part of normal risk management throughout the procurement process.

#### Contract Management Roadmap

Defra's Contract Management Roadmap provides a useful guide to support contract managers. See [www.defra.gov.uk](http://www.defra.gov.uk) or the Flexible Framework Solution.

#### Targets to improve Sustainability are agreed with key suppliers.

- embedding of **targets/performance indicators** in new contracts
- seeking voluntary **retrospective agreements** with existing suppliers

This requirement builds on other activities that your organisation will be undertaking in other parts of the Flexible Framework, especially on supplier engagement. A suite of targets or performance indicators could be agreed with each supplier, i.e. embedded in new contracts, or voluntarily agreed with existing contracts. Alternatively you could agree voluntary sustainability action plans with key suppliers with regular progress reporting.

#### Sustainable Procurement charter

The **sustainable procurement charter introduced by the MOD** commits the Department and its key suppliers to a joint programme of improvement, and has achieved 100% sign up from key suppliers. See [www.mod.uk](http://www.mod.uk) or e-guidance for link.

## Procurement Process Level 4

**Detailed Sustainability risks assessed for high impact contracts. Project/contract Sustainability governance is in place. A Life-Cycle approach to cost/impact assessment is applied.**

#### Detailed Sustainability risks assessed for high impact contracts.

- providing evidence of awareness of **sustainability risks**
- **risk assessments** of procurements

There should be a toolkit or methodology developed in previous levels to evaluate purchases against a set of policy areas. Your organisation should be able to provide evidence of awareness of the sustainability risks for high impact contracts and demonstrate that these are being managed. Evidence could include early market engagement and detailed sustainability criteria in the tendering process. Supporting evidence may be in the shape of quantifiable sustainability impacts that are used in the development of the business case.

#### Detailed Risk Assessment

The Environment Agency has developed a detailed risk assessment process for their procurements. For further information please contact [enquiries@environment-agency.gov.uk](mailto:enquiries@environment-agency.gov.uk)

#### Project/contract Sustainability governance is in place.

- **risk assessments** take place to manage sustainability impacts and identify responsible owners.
- **audits** to check compliance with sustainable procurement policy.

Sustainable contract management may be established through the use of a distinct document that enables untrained contract managers to consider sustainability issues or through coaching from experienced contract managers. Another option could be to embed

sustainable contract management within category strategy development.

You could begin to report sustainability benefits per category. For example for the energy category this could be through tonnes of CO<sub>2</sub> saved. Category-specific sustainability Key Performance Indicators (KPIs) can be reported on alongside efficiency savings.

Your organisation could conduct audits to check compliance with sustainable procurement policy and strategy and assess how far sustainable development is being integrated within procurement. Internal audits could also review the robustness of information captured by monitoring systems and recommend areas for further development.

#### A life-cycle approach to cost/impact assessment is applied.

Appropriate **weighting** given to long term sustainability impacts, costs and opportunities when evaluating options and making procurement and investment decisions, e.g. the relocation of offices to remote areas could contribute to an increased carbon footprint from commuting.

### Procurement Process Level 5

**Life Cycle analysis has been undertaken for key commodity areas. Sustainability Key Performance Indicators agreed with key suppliers. Progress is rewarded or penalised based on performance relevant to the contract. Barriers to Sustainable Procurement have been removed. Best practice shared with other organisations.**

#### Life Cycle analysis has been undertaken for key commodity areas.

It is quite demanding on resources to undertake a **Life Cycle Analysis (LCA)** for key commodity areas. Organisations can save resources by sharing information and using the Impact Assessments covering the GBS criteria available on the **Defra website** ([www.defra.gov.uk](http://www.defra.gov.uk)) for key contracts.

#### Sustainability Key Performance Indicators agreed with key suppliers.

This requirement builds on the previous level, as well as on-going activity at other themes of the Flexible Framework. You could cascade appropriate targets to Tier 1 and Tier 2 suppliers following supply chain mapping (an aspect of the Engaging Suppliers strand). Targets could monitor the performance of a supplier's internal practices.

#### Progress is rewarded or penalised based on performance relevant to the contract.

**Incentives**, such as gain-share mechanisms, could be included in relevant high impact contracts and suppliers should have the opportunity to submit a case study for public sector awards schemes. You should ensure that such activities are in line with public procurement regulations.

#### Barriers to Sustainable Procurement have been removed.

This could be through 360° feedback with existing suppliers or surveys with businesses that have been unsuccessful in tenders, which could also help you understand where improvements need to be made.

#### Best practice shared with other organisations.

You can share best practice by:

- making good examples of sustainable procurement publicly available.
- winning awards for specific sustainable procurements.
- “buddying-up” with smaller organisations to achieve Flexible Framework objectives.





## Chapter 5

# Engaging Suppliers

This theme is all about communicating and engaging with your suppliers. It starts with making your organisation open and transparent to suppliers (e.g. through your website). This will also encourage a range of different types of suppliers to bid for contracts, such as Small Medium Enterprises (a key Government policy priority).

A **supplier engagement programme** is a good way of co-ordinating your engagement activities.

This programme should:

- Be a formalised and co-ordinated range of activities that has clear direction.
- Be endorsed by senior management, who are visible and interact with suppliers.
- Involve a mixture of active and passive engagement opportunities such as events and workshops, as well as information sharing through emails and websites.
- Have a single point of contact for key participating suppliers.
- Prioritise, but not be limited to, high sustainability impact and strategic suppliers.
- Be well-communicated to all relevant suppliers.

By Level 3 this programme should:

- Include the supply chain of key suppliers.
- Encourage suppliers to adopt the Flexible Framework.
- Encourage suppliers to provide data on impacts associated with providing products/services to your organisation.

It should be clear to suppliers that supplier engagement is a **long-term commitment**. There may be voluntary agreement by both the organisation and participating suppliers on the key impacts of common interest, the methods that will be used for monitoring and reporting progress, and the associated timescales.

There is no reason why supplier engagement cannot be a joint activity between two or more organisations with a similar remit, or within a Departmental family.

## Engaging Suppliers Level 1

**Supply chain mapping** is a good way of working out the sustainability impacts of your suppliers and their supply chains. You should prioritise engagement and focus on supply chains of particular products/services, or of key or high impact suppliers.

Communication should be **two-way**, and you can build this approach by: sharing training events, establishing mutual sustainability objectives and/or raising awareness of (or sponsoring) awards for suppliers on sustainability. This gives you opportunities to learn from each other. **Feedback** will help to shape this engagement further; it can be sought through (for example): regular contract management meetings, supplier questionnaires or procurement workshops.

**Key supplier spend analysis undertaken and high sustainability impact suppliers identified. Key suppliers targeted for engagement and views on procurement policy sought.**

### Key supplier spend analysis undertaken and high sustainability impact suppliers identified.

At this level you should be able to map sustainable development from your main expenditure to lists of key suppliers in this area.

- **Identify percentage of spend** to suppliers, understand the sustainability impact of goods/services provided.
- **Mapping sustainable development** impacts to areas of high expenditure and/or high impact suppliers.

Key suppliers can be identified primarily through the impacts of their contracts. These can be identified through

- Business criticality (including reputational risk), for example electricity providers.
- Corresponding high-level spend areas, for example top 10 suppliers.
- Sustainability impact, for example travel management company for high environmental impact.

### Key suppliers targeted for engagement and views on procurement policy sought.

- Establishing **two-way communication**.
- Making **information** on procurement process available (preferably on-line).

It is important to engage with key suppliers as early as possible. As a first step you should share your procurement policy with them and seek their feedback.

In anticipating further levels, a supplier engagement strategy that outlines the method and frequency of engagement could start being shaped. The organisation could also consider the use of a **supplier charter** as an overarching agreement to support management of suppliers' impacts (in line with key Government policy priorities).

## Engaging Suppliers Level 2

**Detailed supplier spend analysis undertaken. General programme of supplier engagement initiated, with senior manager involvement.**

### Detailed supplier spend analysis undertaken.

You can prepare a detailed supplier spend analysis by cross-referencing the detailed procurement prioritisation list with the key supplier list and identify not only high spend but also high sustainability impact suppliers (see Procurement Levels 1 and 2). You should also consider suppliers that are low on sustainability impacts or cost but which are critical to business operation or delivery, or have a high potential reputational risk.

Achievement of this requirement could be demonstrated by (any):

- knowing the breakdown and percentage of spend across suppliers and commodities.
- identifying high impact suppliers through a methodology such as SPTF.

Your organisation could consider agreeing an approach to collate data on suppliers' impacts in preparation for subsequent levels of the Flexible Framework.

#### General programme of supplier engagement initiated, with senior manager involvement.

- Creating opportunities to **build relationships** with suppliers
- **Regular communication** with key suppliers

Supplier relationship and category managers should communicate with key suppliers regularly, for example on a quarterly basis, and make sure that this is a long term commitment. Communication with suppliers should be approved by senior management.

#### Joint approach to supplier engagement

To be more efficient and to reduce the burden upon suppliers – Home Office and Her Majesty's Revenue and Customs have adopted a joint approach to supplier engagement. The Departments held a series of workshops with key suppliers to explore how they could deliver sustainability initiatives in partnership.

Suppliers will be approached once for reporting and the results will be used by both departments to identify suppliers that should be targeted for further engagement (e.g. to improve performance or highlight best practice).

## Engaging Suppliers Level 3

**Targeted supplier engagement programme in place, promoting continual Sustainability improvement. Two-way communication between procurer and supplier exists with incentives. Supply chains for key spend areas have been mapped.**

#### Targeted supplier engagement programme in place, promoting continual sustainability improvement.

- **Voluntary workshops** and meetings held with suppliers.
- **Learning** from suppliers.

You will have identified key suppliers, primarily on the impacts of the contract that they are delivering. These suppliers should be targeted for more intensive development and engagement, for example through specialised workshops and/or further developing your supplier engagement programme to include their supply chains; and cover how they are managing impacts outside the boundaries of the contracts.

#### Two-way communication between procurer and supplier exists with incentives.

- Establish bilateral communication.
- Shaping engagement through **feedback** (as covered in the introduction).
- Start developing a partnership approach.

#### Supply chains for key spend areas have been mapped.

- Exploring the impacts and **sustainability risks** of key supply chains.
- **Tracing** products and services through the supply chain.
- Supply chain **mapping**.

The aim of this requirement is to explore in some depth the impacts of key supply chains. In line with the GGC collecting data on supply chain impacts could focus initially on carbon and then include water and waste. It is then possible to agree baselines for reducing these



impacts with the supplier. Such analysis can be done through interaction with the main provider first and subsequently with their Tier 1 and 2 suppliers, as relevant. The aim is to trace risk as far down the supply chain as reasonable and agree mitigating actions. The results of this approach should include the identification of suppliers' key supply chains and could lead to suppliers working with their supply chains on a voluntary basis to identify key sustainability impacts.

## Engaging Suppliers Level 4

**Key suppliers targeted for intensive development. Sustainability audits and supply chain improvement programmes in place. Achievements are formally recorded. CEO involved in the supplier engagement programme.**

### Key suppliers targeted for intensive development.

- **Voluntary disclosure** by suppliers of their sustainability performance.

**Intensive development** may include inviting suppliers to participate and report in relevant **voluntary** supplier disclosure programmes. This will help you to collect data and information on key suppliers' sustainability impacts and therefore report on the benefits of the supply chain improvement programme. To support this, the organisation should provide a programme of further feedback and engagement.

You can also encourage suppliers to assess the sustainability impacts of their products and services, and make commitments to improve their sustainability performance.

### Waste and supply chain impacts

Emissions from the manufacture, use and disposal of ICT equipment is expected to shortly overtake those of the airline industry. Your organisation could achieve substantial benefits and cost savings by working with suppliers to ensure that ICT equipment used to service your contract is re-used within the company or wider society. This is mandated across central government under the GGC and lead departments will be able to advise your organisation on how this can be achieved.

### Sustainability audits and supply chain improvement programmes in place.

- Auditing of supply chains to **control significant risk**

You should undertake audits to ensure that high-risk supply chains are not posing a significant risk to your supplier and/or your organisation. Supply chain audits may be jointly commissioned or led by the supplier, or you can work with another organisation to audit a particular supplier together. Alternatively, you could conduct internal audits into suppliers' sustainability performance.

### Achievements are formally recorded.

Achievements in supporting sustainable supply chains are recognised by senior leaders in the organisation and openly shared with others.

### CEO involved in the supplier engagement programme.

The Permanent Secretary or CEO visibly supports the supplier engagement programme, for example by attending events and workshops regularly. There is recognition that the organisation and suppliers have mutual interests and that procurement should be part of a process to achieve true cost-effectiveness rather than simply an on-going commitment to drive down prices.

## Engaging Suppliers Level 5

**Suppliers recognised as essential to delivery of organisation's sustainable procurement strategy. CEO engages with suppliers. Best practice shared with other/peer organisations. Suppliers recognise they must continually improve their Sustainability profile to keep the client's business.**

Suppliers recognised as essential to delivery of organisation's sustainable procurement strategy. CEO engages with suppliers.

Your Permanent Secretary or the CEO is personally responsible for the supplier engagement programme and there is evidence to demonstrate this commitment, for example meeting key suppliers' CEOs biannually. Category managers, Supplier Relationship Manager or other relevant people are also actively and regularly engaged with suppliers on sustainable development issues.

**Best practice shared with other/peer organisations.**

Examples of **best practice** could include:

- Sustainable Procurement performance recorded and verified.
- All high sustainability impact supply chains have been mapped, understood and programmes are in place to reduce sustainability impacts and increase sustainability benefits.

Best practice examples on supplier engagement could be made publicly available and receive external recognition.

Suppliers recognise they must continually improve their Sustainability profile to keep the client's business.

**N.B. Contracting authorities must never penalise suppliers for sustainability performance where this would breach EU procurement rules.**

This requirement may be evidenced by:

- externally verified audit that is undertaken jointly with key suppliers for their key supply chains to ensure good performance and improvement.
- suppliers providing high quality Management Information relating to their sustainable procurement performance on a voluntary basis.

# Chapter 6

## Measurement and Results

The aim of this theme is not only to measure the impacts of actions taken in support of procuring sustainability but also to demonstrate the results arising from these actions.

In this theme you will see how the Flexible Framework can be used to deliver and record actions in your sustainable procurement strategy/business plan as well as key government policies and priorities which are led by procurement.

Under the Greening Government Commitments central Government Departments will be asked to report on activities in procurement and operations undertaken after March 2011. The reporting cycle will run quarterly from 2011/12 to 2014/15 with 2011/12 as the first reporting year. Although Departments are not required to establish a performance baseline against the metrics for sustainable procurement, they will be required to submit delivery plans for meeting these outcomes, and data demonstrating progress in doing so, to the Cabinet Office on a quarterly basis. The tool for reporting will be ePims, the government's central property database.

### Measurement and Results Level 1

**Key Sustainability impacts of procurement activity have been identified. Simple measures based on achieving all aspects of the Foundation level of the flexible framework are put in place and delivered.**

#### Key Sustainability impacts of procurement activity have been identified.

This requirement is effectively met by having achieved Level 1 of Process and Suppliers, i.e. a high level assessment of procurement and supplier spend has been undertaken and high **sustainability impact** areas have been identified. In addition, you could provide evidence of tools and processes that you have in place to assess individual procurements for sustainability impacts.

Simple measures based on achieving all aspects of the Foundation level of the flexible framework are put in place and delivered.

Evidence could be provided by the existence of a project management approach to ensure that all aspects of Level 1 of the other themes are delivered. Your organisation could also set its own indicators to track performance against the Flexible Framework, e.g. an indicator on training commitments.

Your **sustainable procurement strategy/policy/business plan** should be used to deliver actions against the Flexible Framework.

## Measurement and Results Level 2

**Detailed appraisal of the Sustainability impacts of the procurement activity has been undertaken. Measures implemented to manage the identified high risk impact areas. Simple measures based on achieving all aspects of the Embedding level of the flexible framework are put in place and delivered.**

Detailed appraisal of the Sustainability impacts of the procurement activity has been undertaken.

This requirement may be effectively met by having achieved Level 2 of Process and Suppliers, i.e. a detailed assessment of procurement and supplier spend has been undertaken and high sustainability impact areas, and key suppliers, have been identified. In addition, Sustainability Appraisals, Environmental Impact Assessments etc, are routinely carried out for individual procurements.

Measures implemented to manage the identified high risk impact areas.

This may be evidenced by having a plan of action for high sustainability impact procurements, identifying how the impacts will be minimised or specific programmes of work put in place (including with suppliers) to address specific high risk Sustainable Development (SD) impacts.

Simple measures based on achieving all aspects of the Embedding level of the flexible framework are put in place and delivered.

This may be evidenced by the existence of a project management approach to ensure that all aspects of Level 2 of the other themes are delivered.

## Measurement and Results Level 3

**Sustainability measures refined from general Departmental measures to include individual procurers and are linked to development objectives. Simple measures based on achieving all aspects of the Practicing level of the flexible framework are put in place and delivered.**

Sustainability measures refined from general Departmental measures to include individual procurers and are linked to development objectives.

This may involve aligning SD measures with overall organisational targets, e.g. linking environmental or social targets with a Department's Public Service Agreements or Departmental Strategic Objectives. Alternatively, it could mean linking sustainable procurement measures with the overall SD measures for the organisation, e.g. GGC targets.

In agreement with **People Level 3**, personal development objectives should include sustainability factors, aims and commitments.

Individual procurers or procurement teams should recognise how their efforts to buy sustainably contribute towards your organisation's overarching sustainability targets. For example, a procurer that has specified (or requested through post-award supplier engagement) lightweight or reusable packaging for the delivery of appropriate goods can appreciate how their activity contributes towards reducing waste generation on the estate, and consequently, helps towards the relevant GGC target.

Departmental measures start to assess the benefits realised from sustainable procurement being applied (sometimes referred to as operational performance indicators or outcome indicators) rather than just the effort or activity to apply sustainable procurement principles (sometimes referred to as management performance indicators or process indicators). An example of an 'outcome indicator' might be Tonnes of CO<sub>2</sub> saved through the procurement and use of energy efficient equipment.

Supplier engagement activity is directly contributing to the achievement of the top level sustainability targets and objectives such as GGC targets, e.g. working, on a voluntary basis, with an on-site catering provider to increase the recyclability of food containers.

**Simple measures based on achieving all aspects of the Practicing level of the flexible framework are put in place and delivered.**

Evidence could be provided through a project management approach to ensure that all aspects of Level 3 of the other themes are delivered. Achievement of Level 3 by 2012 marks the first sustainable procurement target for Departments. Performance will be independently audited at this stage in order to ensure consistency.

## Measurement and Results Level 4

**Measures are integrated into a balanced score card approach reflecting both input and output. Comparison is made with peer organisations. Benefit statements have been produced. Simple measures based on achieving all aspects of the Enhancing level of the flexible framework are put in place and delivered.**

**Measures are integrated into a balanced score card approach reflecting both input and output.**

A **balanced scorecard** may be produced on a regular basis, *for example* annually, six-monthly or quarterly for review by Permanent Secretaries and Departmental heads. Reporting should serve the purpose of

updating relevant senior officials, as required by circumstances, without creating an unnecessary burden to the organisation. The scorecard should address sustainable procurement strategy commitments, key Government priorities and category priorities. It should focus both on input/process measures (e.g. incorporation of sustainable procurement criteria into 10% of Pre Qualification Questionnaires) as well as outcomes (for example those PtP metrics that represent outcomes). An approach exists whereby the organisation is collating evidence with input from the procurement team, suppliers and feedback on the procurement activities of staff and how these relate to outcomes such as progress against sustainability targets.

**Comparison is made with peer organisations.**

Your organisation could undertake a **comparative assessment** of their Flexible Framework performance with that of other public sector organisations to establish good practice and areas of improvement. You could also arrange workshops/meetings with other public sector organisations to share good practice and to acknowledge and establish each other's best performing areas.

**Benefit statements have been produced.**

Your organisation has developed an approach to capturing and reporting **benefits** from sustainable procurement, for example through a sustainability report. Alternatively, your organisation can demonstrate that benefits are being achieved through sustainable procurement on a systematic basis.

**Simple measures based on achieving all aspects of the Enhancing level of the flexible framework are put in place and delivered.**

This may be evidenced by the existence of a project management approach to ensure that all aspects of Level 4 of the other themes of the Flexible Framework are delivered.

## Measurement and Results Level 5

**Measures used to drive organisational sustainable development strategy direction. Progress formally benchmarked with peer organisations. Benefits from Sustainable Procurement are clearly evidenced. Independent audit reports available in the public domain. Simple measures based on achieving all aspects of the Leading level of the flexible framework are put in place and delivered.**

### Measures used to drive organisational sustainable development strategy direction.

In order to maintain good performance, the sustainable procurement policy framework will need to be revised regularly. Performance against commitments can inform the direction of future sustainability policies, strategies and action plans; weak areas will need to have actions identified in order to be strengthened.

### Progress formally benchmarked with peer organisations.

An independent **benchmarking** exercise takes place with other public sector organisations or with a mixture of public and private sector organisations. Benchmarking against private sector organisations may help to develop innovative approaches to sustainable procurement, but it should be done only if appropriate and provided that the organisation considers this to be constructive. Sustainable procurement performance may be benchmarked internationally.

### Benefits from Sustainable Procurement are clearly evidenced.

The **benefits** that arise from sustainable procurement are systematically evidenced and are made available to the rest of the organisation. Good practice examples, with quantified sustainability benefits, are published.

### Independent audit reports available in the public domain.

An **independent audit** on performance against the Flexible Framework is undertaken and results are made publicly available.

### Simple measures based on achieving all aspects of the Leading level of the flexible framework are put in place and delivered.

This may be evidenced by the existence of a project management approach to ensure that all aspects of Level 5 of the other themes are delivered.



## Chapter 7

### Annexes

#### **Annex A: Other Relevant Sustainability Frameworks**

The Flexible Framework can support the delivery of key Government policies and an organisation's sustainable procurement strategy.

##### **Sustainable Procurement Action Plan commitments**

The SPAP published in 2007 outlined how Government could achieve leadership in sustainable procurement. The SPAP

commitments are mandates against which Government performance is assessed. These commitments continue under GGC. The current mandates for procurement are listed below.



Minimum sustainable procurement reporting requirements under the GGC.

Milestone/activity	Detail	Reporting requirement
<p>Embed Government Buying Standards in departmental and centralised procurement contracts.</p>	<p>Applies to all new contracts which are relevant to GBS, including framework contracts. Additionally to all existing long term relevant contracts above the OJEU threshold<sup>7</sup>.</p> <p>Existing contracts should be reviewed at a suitable break point and updated where possible to comply with the latest GBS.</p> <p>It is the department's responsibility to monitor compliance with GBS irrespective of the extent to which it uses centralised or departmental purchasing routes.</p> <p>Departments may need to develop and improve their GBS monitoring systems, including supporting their agencies, in order to provide the information required through ePims. Over the period of time covered by the GGC, departments will be expected to demonstrate that GBS are embedded.</p>	<p>Departments are only required to report annually on compliance with embedding GBS in new and existing (long term) contracts that are above the OJEU threshold. Data will be collected through the ePims survey. There will be an opportunity to explain any non compliance and the questions allow for "don't know" and free text responses.</p> <p>In addition to reporting through ePims, departments are required to make the following information available on their websites:</p> <ul style="list-style-type: none"> <li>• a description of their GBS monitoring systems and processes, including any internal/external audits and spot checks</li> <li>• steps being taken to improve GBS monitoring systems and processes</li> <li>• plans for improving compliance, referring to specific GBS categories/products and wider departmental family as appropriate</li> </ul> <p>Departments are also <i>encouraged</i> to make available information on the extent to which best practice GBS specifications are embedded in procurements and the benefits of doing so.</p> <p>For the Construction GBS specifically, departments are required to report annually through the ePims survey the number of new builds and refurbishments rated with BREEAM standards of Outstanding, Excellent, Good, etc.</p>

<sup>7</sup> <http://www.ojec.com/Thresholds.aspx>



<p>Improve and publish data on supply chain impacts, initially focussing on carbon, but also including water and waste – setting detailed baselines for reducing these impacts.</p>	<p>Departments should identify and prioritise significant supply chain impacts, and engage with key suppliers to reduce them. The initial focus of supply chain analysis and specific projects should include contracts where the greenhouse gas emissions are significant such as ICT, energy and utilities, vehicles. Action to reduce impacts may be through contractual mechanisms and/or voluntary approaches as appropriate.</p> <p>Longer term, as baseline data becomes clearer and government’s capacity for managing sustainability in the supply chain improves, it may be appropriate to set and monitor specific targets for reducing supply chain impacts or other pan government sustainable procurement outcome indicators.</p>	<p>Departments will be required to report annually through the ePims survey. Information will be sought on the identification of key impacts/suppliers and the extent to which key impact areas are being addressed. There will be a specific focus on FM and ICT contracts.</p> <p>In addition to reporting through ePims, departments are required to make the following information available on their websites:</p> <ul style="list-style-type: none"> <li>• process for determining procurement sustainability impacts</li> <li>• up to date supply chain impact analysis</li> <li>• details of how you are engaging with your key suppliers on significant impacts</li> </ul> <p>Departments are also encouraged to make the following information available, in order to demonstrate leadership, share lessons learned, and support others to develop effective approaches:</p> <ul style="list-style-type: none"> <li>• the use of tools to prioritise or address sustainability impacts</li> <li>• examples of how tenders have been developed to invite innovative sustainable solutions (e.g. through outcome based specifications, award criteria or best practice GBS)</li> <li>• the results of projects with suppliers, including environmental, social or economic benefits</li> </ul>
---	---	--

## Annex B: Full Guidance Package

This guide is intended as a summary of the Flexible Framework Solution. It is hoped that this will encourage you to use the Solution rather than serve as an alternative to it.

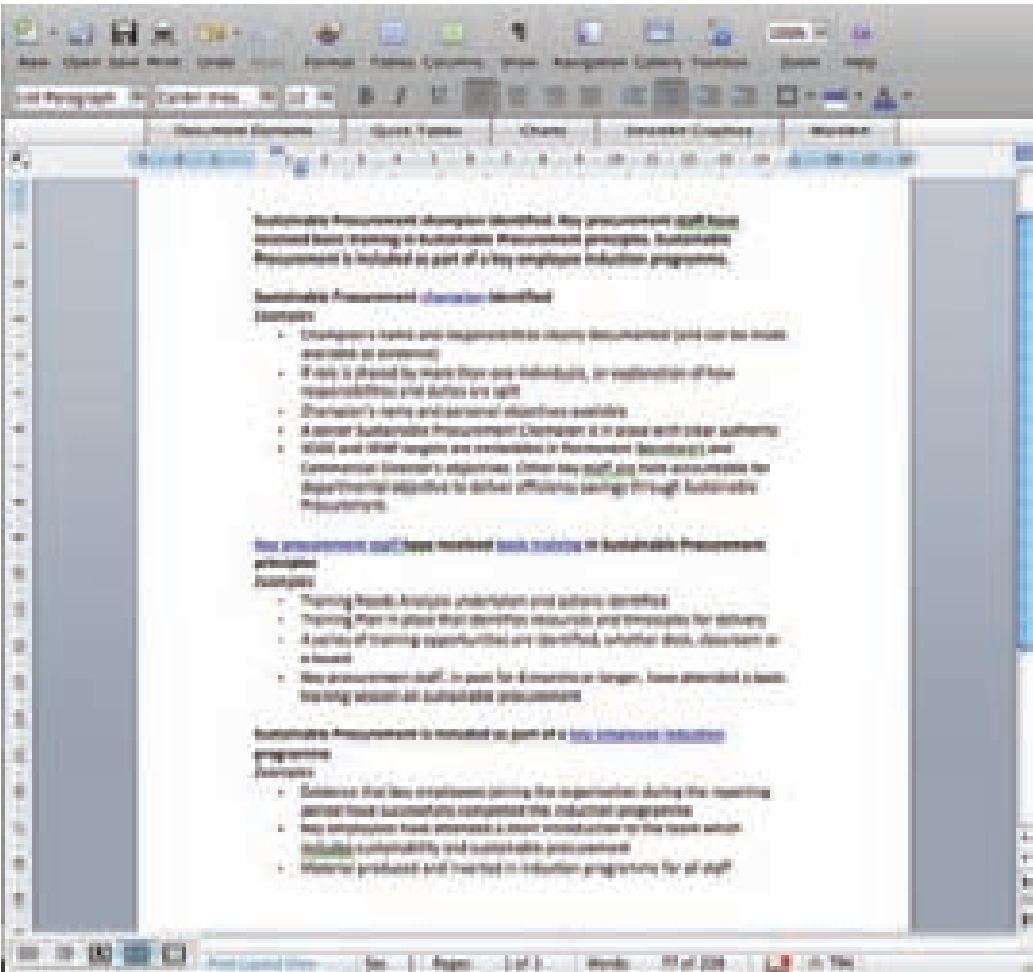
The Flexible Framework Solution provides more detail on the activities that meet the requirements of the proficiency levels. It also expands upon many of the examples and best practice cases and provides further suggestions for the activities. There are two parts to the Flexible Framework Solution which are fully integrated.

- Excel project assessment tool that provides a structured approach to compliance with the Flexible Framework and which enables participants to record their activities and progress.

- A Word Guidance which describes the activities and evidence necessary to fulfil the specific requirements of the Flexible Framework and definitions of the terms used in the five proficiency levels. You will see that it is possible to access the Word guide through the boxes in the Solution's Flexible Framework tab as well as the Input tabs of the Excel workbook.

The notes tab of the Flexible Framework Solution gives instructions on how to use the package. It is available through the Defra website.

### Flexible Framework Solution



Category	Foundation - Level 1	Y/N	A/B	Evidence	Comments
People	Sustainable Procurement (Standard) Identified. My procurement staff have received basic training in Sustainable Procurement processes. Sustainable Procurement is included as part of a key employee induction programme.				My procurement staff have received basic training in Sustainable Procurement processes.
People	An organisational objective to deliver a short...				There is evidence of...
People	Organiser's name and responsibilities is clearly documented (and can be made available at anytime)				Training Needs Analysis undertaken and actions identified
People	Staff is drawn from more than one individual, or a combination of key responsibilities and duties are split				Training Plan in place that identifies resources and timescales for delivery
People	Department's aims and personal objectives available				Training of newly joined staff are identified, whether classroom or e-learning (face-to-face)
People	A formal Sustainable Procurement Charter is in place with senior authority				My procurement staff, in part for Efficiency or longer, have attended a basic training course in Sustainable Procurement.
People	SQA and other targets are embedded in Performance Dashboard and Governance Board's objectives. Other key staff are well-versed in the department's objective to deliver efficiency savings through Sustainable Procurement.				My procurement staff, in part for Efficiency or longer, have attended a basic training course in Sustainable Procurement.

