

**SCOTTISH GOVERNMENT**

**SCOTTISH PROCUREMENT DIRECTORATE**

**SUSTAINABLE PROCUREMENT ACTION PLAN  
FOR SCOTLAND**

## **CONTENTS**

### **1. MINISTERIAL FOREWORD**

### **2. INTRODUCTION**

### **3. ACTION PLAN**

- **Governance**
- **Procurement performance**
- **10 Steps to Sustainable Procurement**

### **4. SUMMARY**

### **5. LIST OF ACTIONS**



## MINISTERIAL FOREWORD

The Scottish Government has set itself a Purpose:

***“To focus government and public services on creating a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable economic growth.”***

Sustainability is at the heart of this Purpose and we need to pursue it in all that we do; in Government, across the wider public sector, and as a nation. The National Performance Framework sets out the high level targets, outcomes and indicators which will ensure that we achieve that Purpose, and our Economic Strategy identifies the need to balance economic growth and the important social and environmental objectives of this Government. Sustainable growth needs to extend choice and opportunity for all of Scotland's regions and people and recognise the need to protect and enhance Scotland's biodiversity and landscape for future generations.

The actions of the public sector have a huge impact on society, the economy and the environment and in no area is this more obvious than how we spend public funds. Procurement is a key means of delivering this Government's priorities and underpins the achievement of the social, economic and environmental benefits that sustainable economic growth demands.

We have produced this Action Plan to assist the public sector to build sustainable procurement into their corporate culture, take proper account of sustainability in procurement activity and to be able to demonstrate how this is being achieved

The public sector must lead by example and take the necessary actions to achieve our objectives. The Scottish Government will use this Action Plan to produce our own organisation-specific plans, policies, procedures and targets to ensure that we buy more sustainable goods and services and will expect the rest of the public sector to do similarly

I fully recognise that much of the public sector determines its own procurement policy within the overall achievement of value for money, although, of course, the duty of Best Value requires a contribution by procurement activity to sustainable development. The successful adoption of the Action Plan will help to fulfil that obligation. Sustainability should be considered along with factors such as cost and quality as part of the overall drive for value for money. In many cases a more sustainable approach will deliver better value for money by both improving quality and leading to longer term cash savings. The Scottish Government is committed to meeting the timetable set out in this plan for delivering the Ten Steps to Sustainable

Procurement, although other public sector organisations will tailor their approach to their appropriate circumstances.

Many organisations are already undertaking and reporting on sustainable procurement activity. This Action Plan is not intended to replace that activity but rather to support and reinforce it by setting out standards of good practice and providing a framework and common language within which organisations can demonstrate their achievements in sustainable procurement.

We all share the difficulties posed by not only Climate Change but also the current economic landscape. Adoption of the Action Plan will help every organisation make a contribution to addressing those issues. In turn that will make a significant contribution to the challenges that face us all. It will contribute towards emissions reduction targets. It will also help Scottish businesses to flourish by ensuring that appropriate weight is given to social and economic considerations in procurement decisions.

The Scottish Government is determined that we should not let this opportunity pass us by. I am committed to working through the Public Procurement Reform Board to ensure that the money the public sector spends on behalf of the Scottish people achieves value for money, is aligned to the Scottish Government's strategic objectives and contributes to sustainable economic growth. Sustainable procurement is good procurement.

Scotland has set world leading targets in our Climate Change legislation and we have the opportunity to show similar leadership in sustainable procurement. I expect all of the public sector to grasp that opportunity, and commend this Action Plan to you.

**JOHN SWINNEY, MSP**

**Cabinet Secretary for Finance and Sustainable Growth**

**28 October 2009**

## INTRODUCTION

Sustainable procurement can be defined as:

***“A process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis and generates benefits not only to the organisation, but also to society, the economy and the environment”.***

In his *Review of Public Procurement in Scotland*, John F McClelland CBE identified Corporate Social Responsibility as important for the public sector and responding to this requires that sustainable procurement is placed at the heart of the reform agenda, hand in hand with the drive to raise standards and practices in public procurement.

One of the major challenges facing Scotland is how to incorporate sustainability into our every day activity to benefit society, the economy and the environment. Total spending in the public sector amounts to around £8bn a year in Scotland and this spending power gives us an opportunity to achieve sustainable growth objectives through making sustainable choices and encouraging sustainable products and services.

Sustainable procurement is not new to Scotland - many organisations, including the Scottish Government, have been purchasing sustainably in various ways for a number of years and are at least partly through the transformation process described in this document. The collective challenge is to achieve high standards throughout the whole of the public sector.

Adoption of this Plan will help public bodies to meet the requirement in the “Best Value in Public Services Secondary Guidance to Accountable Officers”<sup>1</sup> that a relevant body should have “a strategy for procurement and the management of contracts and contractors that treats procurement as a key component in achieving its objectives, including those relating to sustainable development, equalities, and health and safety”.

This Action Plan outlines a whole organisation approach to successful sustainable procurement. A whole organisation commitment to making more sustainable choices is required to deliver sustainable procurement. This means identifying more sustainable ways of meeting requirements and designing sustainable procurement specifications accordingly. The approach should address the social, economic and environmental implications of product and service choices. It should embrace whole life costing and address how aspects such as design, manufacturing materials, operating costs, energy consumption, waste and recycling options support a more sustainable approach.

The Action Plan calls on organisations to produce their own Delivery Plans to set out how, and by when, improvements in sustainable procurement will be made. The

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<sup>1</sup> <http://www.scotland.gov.uk/Publications/2006/07/17114639/1>

Scottish Government is preparing and will publish its own Delivery Plan. Other public bodies are encouraged to make their Delivery Plans publicly available.

Organisation-specific Delivery Plans should set out a timetable for delivering improvements. The 10 steps in the Action Plan include Actions which have dates attached to them. It is recognised that local priorities and organisational structures will play a part in progress. Equally many organisations will already have addressed some of the steps. The dates against the Actions are therefore to that extent indicative but together they set out a reasonable method and timetable to which organisations should at least aspire.

Adoption of the Action Plan and fulfilling its 10 steps will contribute to successful progress against not only Best Value obligations, but also both the Procurement Capability Assessment (PCA)<sup>2</sup> and the Best Practice Indicators (BPI)<sup>3</sup>. Improved sustainability in procurement activity will also make a significant contribution to Climate Change targets.<sup>4</sup>

It is important to note that sustainable procurement does not relate solely to *environmental* issues but also includes *social* issues, for example equalities, diversity and fair and ethical trading and *economic* issues, for example opportunities for small and medium sized enterprises and Third Sector organisations to successfully compete for public contracts.

Annexes A-C of the Action Plan provide an overview of current Scottish Government policies, standards and advice on a range of aspects of sustainability and give contact points within the Scottish Government policy areas where further information can be obtained. They can be found at:

<http://www.scotland.gov.uk/Resource/Doc/1265/0088438.pdf>

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<sup>2</sup> <http://www.scotland.gov.uk/Topics/Government/Procurement/Resources/PCA>

<sup>3</sup> <http://www.scotland.gov.uk/Topics/Government/Procurement/Resources/BPIs/>

<sup>4</sup> <http://www.scotland.gov.uk/Topics/Environment/climatechange/scotlands-action/EmissionsReductions/>

## ACTION PLAN

### Governance

The Public Procurement Reform Board (PPRB), chaired by the Cabinet Secretary Finance and Sustainable Growth, will drive sustainable procurement by:

- Individual organisations; and
- Collaborative ventures through the procurement Centres of Expertise<sup>5</sup> and other public initiatives

The Board recognises the significance and potential impact of the public sector procuring its requirements in a more sustainable way and believes that, as a minimum, public bodies should produce a Delivery Plan to chart improvement.

The Board will promote improvements through the Centres of Expertise. The Centres of Expertise will be responsible for encouraging progressive improvement in sustainable procurement, based on the implementation of organisation specific delivery plans for organisations in their sectors and the incorporation of sustainability into their procurement processes which will provide more sustainable outcomes for their sectors and partners.

The Board will promote and track this progress by, amongst other things:

- Requiring reports from the Centres of Expertise on how they are actively promoting sustainable procurement in their sectors and in their own procurement activity
- Monitoring progress against BPIs which will include references to sustainable procurement<sup>6</sup>
- Monitoring of Procurement Capability Assessments (PCA)<sup>7</sup>

The Board will keep progress under continual review to ensure that sustainable procurement is embedded across Scotland and that new sustainable supply solutions are encouraged. The Board will consider further opportunities to promote sustainable procurement as appropriate

In the period 2009/10 to 2011/12 the PPRB has agreed to focus on specific topics. These will evolve over the period but initially will include:

- Training
- “Buy Sustainable - Quick Wins”
- Supplier Engagement

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<sup>5</sup> <http://www.scotland.gov.uk/Topics/Government/Procurement/about/Family>

<sup>6</sup> <http://www.scotland.gov.uk/Topics/Government/Procurement/Resources/BPIs/>

<sup>7</sup> <http://www.scotland.gov.uk/Publications/2009/07/15145121/0>

## **Procurement performance**

The Scottish Procurement Directorate is working with the public sector to give guidance and support in securing the improvements of the public procurement reform programme. Progress against this activity is monitored by agreed cross sectoral procurement BPIs which are in place and will be developed to include sustainable procurement measures.

These initiatives are augmented by the PCA which provides a generic 'roadmap' for the establishment and development of an effective procurement function within organisations. The *Flexible Framework* referenced in this Action Plan focuses on sustainable procurement and integrates with, and populates, the sustainable procurement element of the PCA.

This Action Plan provides generic guidance about sustainable procurement. All public sector bodies in Scotland can use this to assess where they are at the moment, where they need to get to and how to go about that progression. It sets out 10 key steps and associated actions which will guide an organisation to effective sustainable procurement.

## **10 steps to Sustainable Procurement**

The approach to sustainable procurement will vary according to the circumstances of each public sector organisation. There are, however, a number of steps which each organisation must go through to successfully deliver sustainable procurement.

The approach here outlines 10 steps with illustrative timescales. The Scottish Government has committed to meeting these timescales, although other public bodies may need to tailor them to their specific circumstances.

- **COMMITMENT WITHIN THE ORGANISATION**
- **MAKING THE COMMITMENT PUBLIC**
- **ORGANISATIONAL BUY-IN**
- **BENCHMARKING AND PROGRESSION**
- **PRIORITISING**
- **SPECIFYING SUSTAINABLY**
- **SUSTAINABILITY IN THE PROCUREMENT PROCESS**
- **WORKING WITH SUPPLIERS**
- **MEASURING PERFORMANCE**
- **PUBLICISING YOUR SUCCESSES**

## 1. COMMITMENT WITHIN THE ORGANISATION

Chief Executives and senior management must demonstrate leadership and a genuine commitment by incorporating sustainability objectives into their organisations activities, policies and strategies.

Every organisation should develop its own Delivery Plan to improve the sustainability of its procurement activity. The Delivery Plan should set out future plans for improvement showing what will be achieved and by when. Such plans will vary in form and content, appropriate to the particular organisation. For larger organisations it may be a detailed programme of initiatives flowing from the Flexible Framework self assessment (see Figure 1). For much smaller bodies it may simply be a series of improvement actions (this might include, for example, taking advantage of national and sectoral collaborative contracts placed by the Centres of Expertise).

The Delivery Plan is a product of an organisation's benchmarking against best practice and should set out future plans and actions for improvement.

- **ACTION 1.1: Nomination of a senior management champion for Sustainable Procurement who will be responsible for implementing an organisation-specific Delivery Plan by 30 November 2009**

## 2. MAKING THE COMMITMENT PUBLIC

A public commitment to sustainability demonstrates commitment both to staff and external parties including suppliers and potential suppliers.

- The commitment should be made public through websites, publications and policy procedures.
- It will cultivate an expectation amongst suppliers that they should focus on supplying goods and services in a more sustainable manner.
- **ACTION 2.1: Public commitment by Chief Executive or equivalent to Sustainable Procurement to appear on websites and relevant internal and external communications by 31 December 2009**

## 3. ORGANISATIONAL BUY-IN

Sustainable procurement is a product of sustainable thinking throughout the whole organisation. The organisation must share the drive, responsibility and the commitment and this should be reflected in policies, strategies and procedures. All those involved in specifying demands and procuring goods and services need to contribute to incorporating sustainability into contracts. It is essential that those who originate and develop requirements consider sustainability at the outset and through each stage of the process.

- Some degree of awareness raising, including information and/or training on the importance and value of specifying and buying sustainably is essential for everyone in the organisation and organisational procedures and plans should reflect this. Sustainable procurement will come about only if the organisation and those within it understand, and are committed to, operating sustainably.
- **ACTION 3.1: Awareness raising and training plan (accessing either local or centrally arranged courses) on sustainability in procurement to be developed: by 31 March 2010.**

#### 4. BENCHMARKING AND PROGRESSION

The Flexible Framework (Figure 1) was produced by the UK Sustainable Procurement Task Force<sup>8</sup> and is a useful and easy means of self assessing an organisation's performance on sustainable procurement. It will help organisations to prioritise the areas for improvement. Organisations should build the various stages and areas for improvement into their corporate aims and objectives.

The Scottish Government's public sector Procurement Capability Assessment<sup>9</sup> toolkit includes aspects relating to sustainable procurement and the Scottish Sustainable Procurement Action Plan, including progress on leadership and commitment, use of the Flexible Framework and the production of an organisation-specific Delivery Plan which addresses how procurement can help the organisation to deliver sustainability objectives.

- **ACTION 4.1: Undertake self-assessment against the Flexible Framework by 31 March 2010**
- **ACTION 4.2: Programme to be produced for regular re-assessment against the Flexible Framework creating improvement plans for progression to the next level by 31 May 2010**
- **ACTION 4.3: Aspire to Practice Level 3 in each discipline of the Flexible Framework by 31 December 2010**

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<sup>8</sup> <http://www.actionsustainability.com/documents/downloads/Procuring%20the%20Future.pdf>

<sup>9</sup> <http://www.scotland.gov.uk/Publications/2009/07/15145121/0>

**Figure 1 Flexible Framework**

	<b>Foundation Level 1</b>	<b>Embed Level 2</b>	<b>Practice Level 3</b>	<b>Enhance Level 4</b>	<b>Lead Level 5</b>
<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 &amp; Communications</b>	Agree overarching sustainability objectives. 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 Quick Wins.	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-cost 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. 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 clients business.
<b>Measurements &amp; Results</b>	Key sustainability impacts of procurement activity have been identified.	Detailed appraisal of the sustainability impacts of the procurement activity has been undertaken. Measures implemented to manage the identified high risk impact areas.	Sustainability measures refined from general departmental measures to include individual procurers and are linked to development objectives.	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.	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.

## 5. PRIORITISING

Determine your local priorities, any commitments or national policies with which you have to comply, the value of and lifespan of existing contracts, forthcoming tendering exercises and any of your activity which might carry a reputational risk.

Significant progress can be made by:

- Making use of collaborative contracts and framework agreements which already offer sustainability advantages
- Supporting the inclusion of sustainability aspects into future contracts
- Adopting the “Buy Sustainable - Quick Wins”<sup>10</sup>
- **ACTION 5.1: Incorporate local priorities and requirements into organisation specific Delivery Plan showing how and by when progress will be made by 31 March 2010**

## 6. SPECIFYING SUSTAINABLY

The greatest benefits arise through embedding sustainability into the earliest stages of procurement - when requirements for goods and services are being identified, justified and planned. It is at this crucial stage, before the procurement specification is defined, that detailed requirements can be reviewed in the light of sustainability, market capability and value for money. Contract Strategies for all procurement should include a “Sustainability Test” which takes full account of sustainability issues, including:

- Testing whether requirements can be reduced or avoided altogether by delivering the outcome in some other way
- The need for cost-effective requirements taking account of whole life costs including purchase, installation, running costs including energy costs and disposal costs
- Ensuring requirements take account of social, economic and environmental issues where appropriate

How essential requirements can be defined to minimise resource consumption - *reduce, reuse and recycle*.

- **ACTION 6.1: Establish a formal “Sustainability Test” which confirms customer requirements have been tested for sustainable social, economic and environmental factors by 30 April 2010**

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<sup>10</sup> <http://www.defra.gov.uk/sustainable/government/what/priority/consumption-production/quickWins/index.htm>

As mentioned previously there are three strands to sustainable procurement - Social, Economic and Environmental. A few indicators of how these individual elements can be addressed in procurement activity are given below.

## **Social aspects**

Consideration must be given to:

- Usability for all those who will be affected by the goods or services covered by the contract
- Whether diversity and equality issues have been addressed
- Whether the documentation is in plain English
- Whether the terms and conditions are appropriate for the nature of the contract and any associated risk
- How the requirement is going to be advertised

All of this can assist organisational commitments on diversity and equality and encourage interest from a wide range of suppliers including smaller suppliers and Third Sector organisations.<sup>11</sup>

## **Supported Businesses and Factories**

Guidance has been published by the Scottish Government explaining the provision in the Public Contracts (Scotland) Regulations which makes it possible to reserve a requirement for competition by Supported Businesses and Factories. Note that the Guidance produced by the UK Government's Office of Government Commerce has been updated<sup>12</sup> - see footnote for up-to-date reference.

## **Fair and Ethically Traded Products**

The Scottish Government has made a commitment, in conjunction with Local Authorities, to achieving Fair Trade Nation status.<sup>13</sup> Guidance on how fair and ethical trading can be supported through public procurement has been issued.<sup>14</sup> By implementing this guidance all public bodies can increase the amount of fair and ethically traded items provided under existing contracts as well as supporting fair and ethically traded items in future requirements. In accordance with the guidance fair and ethically traded items can be adopted for in-house catering and hospitality provision and events such as Fair Trade Fortnight should be promoted. Public

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<sup>11</sup> <http://www.scotland.gov.uk/Topics/Government/Procurement/policy/manual/policy-notes/sppn062007socialissues>

<sup>12</sup> <http://www.scotland.gov.uk/Topics/Government/Procurement/policy/manual/policy-notes/sppn042006> and [http://www.ogc.gov.uk/documents/Supported\\_Factories\\_Businesses.pdf](http://www.ogc.gov.uk/documents/Supported_Factories_Businesses.pdf)

<sup>13</sup> <http://www.scotland.gov.uk/News/News-Extras/fair-trade>

<sup>14</sup> [http://www.scotland.gov.uk/Topics/Government/Procurement/policy/manual/policy-notes/SPPN\(2\)2005](http://www.scotland.gov.uk/Topics/Government/Procurement/policy/manual/policy-notes/SPPN(2)2005)

bodies should also work with existing contractors to increase the range and availability of fair and ethically traded products.

- **ACTION 6.2:** Where appropriate aim to have a strategy for awarding at least one contract to a Supported Business or Factory and implemented the guidance on supporting Fair and Ethically traded products by **30 November 2010**

### **Economic aspects**

As with social aspects, consideration has to be given to how requirements will attract interest from across the supply base including Small and Medium Enterprises (SMEs) and the Third sector and public bodies are encouraged to support the “Suppliers Charter”<sup>15</sup> which is a joint statement agreed between public sector procurement and business to facilitate access to public sector procurement opportunities.

- **ACTION 6.3:** Sign up to the ‘Suppliers Charter’ by **31 January 2010**

### **Environmental aspects**

The ‘Buy Sustainable - Quick Wins’<sup>16</sup> website is a list of minimum and best practice specifications for a range of commonly procured goods which can be used to build in sustainability at the outset when requirements are being identified. They can be easily incorporated into Invitation to Tender specifications for the product groups they cover. The Department for Environment, Food and Rural Affairs continues to develop the Quick Wins and increase the product areas covered. Their scope includes, for example:

- Paper and Cleaning products
- Office machinery and IT equipment
- Construction
- Transport (private, public and utility vehicles)
- Furniture
- Electrical goods
- Textiles
- Gardening services

The “Quick Wins” will help organisations to measure how sustainable existing contracts are. They should be communicated to and be understood throughout the organisation.

There may be scope to develop improved specifications with existing contractors. The “Quick Wins” should be adopted for all new requirements.

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<sup>15</sup> <http://www.scotland.gov.uk/Topics/Government/Procurement/Selling/Supplierscharter2>

<sup>16</sup> <http://www.scotland.gov.uk/Topics/Government/Procurement/policy/manual/policy-notes/SPPN152008> and <http://www.defra.gov.uk/sustainable/government/what/priority/consumption-production/quickWins/index.htm>

- **ACTION 6.4:** “Buy Sustainable - Quick Wins” to be communicated to all those involved in specifying and procuring requirements and “Buy Sustainable - Quick Wins” to be adopted for all new contracts relating to the product groups they cover by **31 January 2010**

## 7. SUSTAINABILITY IN THE PROCUREMENT PROCESS

The procurement process formally begins when an advertisement is sent to the Official Journal of the European Union (OJEU) or advertised elsewhere.

Public procurement legislation does not preclude an organisation from specifying sustainable requirements.

In addition, it permits social, economic and environmental factors to be considered as part of tender evaluation/contract award criteria where they are related directly to the delivery of the goods or services which are the subject of the particular contract in question and where tender documents make clear that this will be part of the evaluation process.

It is possible to achieve social, economic and environmental benefit as part of the achievement of value for money, provided that doing so does not breach any of the fundamental principles of the European Treaty such as equality of treatment, freedom of movement across national boundaries, non-discrimination and transparency.

Further details of what can be done at each stage of the process can be found in the Scottish Government’s “Sustainable Public Procurement - Introduction for Purchasers”.<sup>17</sup>

- **ACTION 7.1:** Organisational procedures to emphasise the ability to specify sustainable options and the need to do so reinforced in policy documents and delivery plans by **28 February 2010**

## 8. WORKING WITH SUPPLIERS

The social and economic aspects of sustainable procurement include giving all suppliers an equal opportunity to compete for business. In order to do that potential suppliers need to understand what is required of them.

A public commitment to sustainable procurement sets the scene. This can be reinforced in introductory sections and background information about the buying organisation and by building it into requirements and specifications. Remember that public procurement procedures can be quite daunting for suppliers - particularly smaller businesses, Third Sector bodies, voluntary organisations and charities.

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<sup>17</sup> <http://www.scotland.gov.uk/Topics/Government/Procurement/policy/corporate-responsibility/susdevsummarynote>

To de-mystify the process, organisations should hold “meet the buyer” events where businesses can be introduced to the procedures in place, including:

- How and where requirements are advertised, what pre-qualification documentation looks like and what responses are expected
- What tender and contract documentation looks like and any forthcoming opportunities
- Engaging with local and other business organisations to help understand how best to advertise the sessions, timing and what topics would be useful
- Advertise these sessions on your organisation's websites and ensure they are open to all suppliers. The sessions should give general advice and not be linked to particular contracts (which might lead to accusations of discrimination in favour of local suppliers, for example)
- Take appropriate action to adhere to the *Suppliers' Charter* which was agreed between government and business

Bear in mind that requirements must be given adequate publicity as required by legislation and should be advertised in such a way that they attract the attention of an appropriate range of suppliers. Further information can be found in the Scottish Government's guidance issued in Scottish Procurement Policy Note 3/2006<sup>18</sup>.

The Public Contracts Scotland<sup>19</sup> on-line portal provides a single facility for suppliers and purchasers alike, where Scottish public sector requirements can be advertised. The portal supports publishing contract advertisements on OJEU where above EU threshold requirements must still be advertised and it provides a point of reference for below threshold requirements and free e-mail alerts to suppliers. Additionally it supports individual organisations' micro-sites - called “*buyer profiles*” - enabling organisations to provide a local interface to the National portal from their own website. All public bodies should adopt the portal and carry out training to make sure it is widely used throughout their organisation.

- **ACTION 8.1:** Establish published supplier engagement programme including ‘meet the buyer’ events by **31 January 2010**
- **ACTION 8.2:** Ensure the Public Contracts Scotland portal is adopted across the organisation by **31 January 2010**

## 9. MEASURING PERFORMANCE

It is essential to measure performance both internally and externally.

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<sup>18</sup> <http://www.scotland.gov.uk/Topics/Government/Procurement/policy/manual/policy-notes/sppn032006>

<sup>19</sup> <http://www.publiccontractsscotland.gov.uk>

- Set targets of where the organisation wants to be by specified dates and measure progress against them
- Benchmark progress against other organisations and best practice

The Flexible Framework is a helpful guide to best practice and target setting, both internally and externally and enables organisations to assess how their current operation fits against a good practice model. Organisations should conduct an initial assessment against the Flexible Framework together with periodic health checks to gauge what progress has been made (see Step 4, “Benchmarking and Progression”).

The BPIs<sup>20</sup> will include measures relating to sustainable procurement and will provide a means of benchmarking against similar organisations. In addition the Procurement Capability Assessment<sup>21</sup> framework includes measurements relating to sustainable procurement.

Putting the Scottish Sustainable Procurement Action Plan into practice will therefore contribute to organisations’ performance against both the BPIs and the Procurement Capability Assessment.

- **ACTION 9.1: Measure performance against sustainable procurement criteria in the Best Practice Indicators and the Procurement Capability Assessment model by 31 January 2010**

## 10. PUBLICISING YOUR SUCCESSES

As your organisation makes progress, publicise your successes. This both demonstrates progress to internal and external stakeholders and emphasises the message to suppliers that the organisation is committed to Sustainable Procurement allowing them to prepare accordingly.

Share your successes, knowledge and good practice with other organisations through websites, newsletters, Centres of Expertise, the Procurement Policy Forum, sectoral networks and organisations etc.

- **ACTION 10.1: establish procedures for publicising successes in Sustainable Procurement by 30 June 2010**

<sup>20</sup> <http://www.scotland.gov.uk/Topics/Government/Procurement/Resources/BPIs/>

<sup>21</sup> <http://www.scotland.gov.uk/Publications/2009/07/15145121/0>

## SUMMARY

The Scottish Sustainable Procurement Action Plan supports the Scottish Government's purpose for successful sustainable economic growth. National Outcomes have been established through the Concordat and Single Outcome Agreement and national environmental targets have been set by Climate Change legislation for Scotland. Public procurement has a major part to play in supporting these objectives in a sustainable manner.

This Action Plan recognises the new public procurement infrastructure in Scotland and role of the Centres of Procurement Expertise in promoting collaboration and best practice. It proposes a methodical whole organisation approach to sustainable procurement, a benchmarking and development structure and a timetable for specific actions to promote best practice across the public sector in Scotland.

The Action Plan provides a specific sustainability focus within the hierarchy of public procurement reform initiatives which cover a wide range of procurement policy and practice and sets out a method and actions which all public sector organisations are expected to adopt.

The next step is for all organisations to build on the Action Plan by developing their own organisation-specific Delivery Plan which sets out plans, policies and procedures and actions which help deliver local and national priorities and objectives and which will ensure a more sustainable outcome to their procurement activity.

Further advice on sustainable procurement can be found at:

<http://www.scotland.gov.uk/Topics/Government/Procurement/policy/Subject-Specific/corporate-responsibility>

and in the Annexes to the Action Plan:

<http://www.scotland.gov.uk/Resource/Doc/1265/0088438.pdf>

## LIST OF ACTIONS

**ACTION 1.1:** Nomination of a senior management champion for Sustainable Procurement who will be responsible for implementing an organisation-specific Delivery Plan by **30 November 2009**

**ACTION 2.1:** Public commitment to Sustainable Procurement by Chief Executive or equivalent to appear on websites and relevant internal and external communications by **31 December 2009**

**ACTION 3.1:** Awareness raising and training plan (accessing either local or centrally arranged courses) on sustainability in procurement to be developed by **31 March 2010**

**ACTION 4.1:** Undertake self-assessment against the Flexible Framework by **31 March 2010**

**ACTION 4.2:** Programme to be produced for regular re-assessment against the Flexible Framework creating improvement plans for progression to the next level by **31 May 2010**

**ACTION 4.3:** Aspire to Practice Level 3 in each discipline of the Flexible Framework by **31 December 2010**

**ACTION 5.1:** Incorporate local priorities and requirements into organisation-specific Delivery Plan showing how and by when progress will be made by **31 March 2010**

**ACTION 6.1:** Establish a formal "Sustainability Test" which confirms customer requirements have been tested for sustainable social, economic and environmental factors by **30 April 2010**

**ACTION 6.2:** Develop a strategy for awarding at least one contract to a Supported Business or Factory and implemented the guidance on supporting Fair and Ethically traded products by **30 November 2010**

**ACTION 6.3:** Sign up to the 'Suppliers Charter' by **31 January 2010**

**ACTION 6.4:** "Buy Sustainable - Quick Wins" to be communicated to all those involved in specifying and procuring requirements and "Buy Sustainable – Quick Wins" to be adopted for all new contracts relating to the product groups they cover by **31 January 2010**

**ACTION 7.1:** Organisational procedures to emphasise the ability to specify sustainable options and the need to do so reinforced in policy documents and delivery plans by **28 February 2010**

**ACTION 8.1:** Establish published supplier engagement programme including 'meet the buyer' events by **31 January 2010**

**ACTION 8.2:** Ensure the Public Contracts Scotland portal is adopted across the organisation by **31 January 2010**

**ACTION 9.1:** Measure performance against sustainable procurement criteria in the Best Practice Indicators and the Procurement Capability Assessment model by **31 January 2010**

**ACTION 10.1:** Establish procedures for publicising successes in Sustainable Procurement by **30 June 2010**

## CHRONOLOGICAL LIST OF ACTIONS

### 30 November 2009

**ACTION 1.1:** Nomination of a senior management champion for Sustainable Procurement to take responsibility for implementing an organisation-specific Delivery Plan

### 31 December 2009

**ACTION 2.1:** Public commitment to Sustainable Procurement by Chief Executive or equivalent to appear on websites and relevant internal and external communications

### 31 January 2010

**ACTION 6.3:** Sign up to the 'Suppliers Charter'

**ACTION 6.4:** "Buy Sustainable - Quick Wins" to be communicated to all those involved in specifying and procuring requirements and "Buy Sustainable - Quick Wins" to be adopted for all new contracts relating to the product groups they cover

**ACTION 8.1:** Establish published supplier engagement programme including 'meet the buyer' events

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### 28 February 2010

**ACTION 7.1:** Organisational procedures to emphasise the ability to specify sustainable options and the need to do so reinforced in policy documents and delivery plans

### 31 March 2010

**ACTION 4.1:** Undertake self-assessment against the Flexible Framework

**ACTION 5.1:** Incorporate local priorities and requirements into organisation-specific Delivery Plan showing how and by when progress will be made

**ACTION 3.1:** Awareness raising and training plan (accessing either local or centrally arranged courses) on sustainability in procurement to be developed

### 30 April 2010

**ACTION 6.1:** Establish a formal "Sustainability Test" which confirms customer requirements have been tested for sustainable social, economic and environmental factors

### 31 May 2010

**ACTION 4.2:** Programme to be produced for regular re-assessment against the Flexible Framework creating improvement plans for progression to the next level

**30 June 2010**

**ACTION 10.1:** Establish procedures for publicising successes in Sustainable Procurement

**30 November 2010**

**ACTION 6.2:** Develop a strategy for awarding at least one contract to a Supported Business or Factory and implemented the guidance on supporting Fair and Ethically traded products

**31 December 2010**

**ACTION 4.3:** Aspire to Practice Level 3 in each discipline of the Flexible Framework