



SUSTAINABLE PROCUREMENT POLICY

Policy Title	Sustainable Procurement Policy		
Policy Number	1935	Policy Version Number	4
Applicable to	All Trust Staff.		
Aim of the Policy	To support the delivery of the Trust's Sustainability Plan and to take into account the whole life cycle impacts of its products in relation to Sustainability and Social Value.		
Next Review Due Date	01 September 2023		
Author/ Reviewer	Ross Cumber, Category Manager, Procurement & Logistics		
Policy Sponsor	Louise Brereton, Head of Procurement and Logistics		
Expert Group	Social Value Working Group and Sustainability and Travel Working Group		
Date Approved	Sustainability and Travel Working Group 16/08/2021 Social Value Working Group 16/08/2021		
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Document Management	
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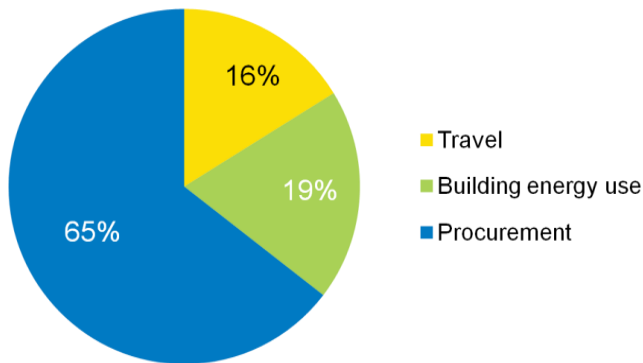
Executive Summary

Policy title	SUSTAINABLE PROCUREMENT POLICY
Purpose	To reduce the carbon footprint of Dorset County Hospital NHS Foundation Trust through Sustainable Procurement.
Applicable to	All employees of the Trust who procure goods and services.
Aim of policy	To assist members of staff to consider and balance their requirements against sustainability outcomes.
Main features	<ul style="list-style-type: none">-Definition of Sustainable Procurement-Key Issues-Sustainable development and production-Climate change and energy-Protecting natural resources and environment-Creating sustainable communities-Defining a Sustainable Product?-Economic Regeneration-Current Tender Criteria: Sustainability-Future objectives:-Sustainable Procurement-The Procurement Process-Identifying the need-Creating a sustainability focused specification-Choosing Suppliers-Awarding the contract-Managing the contract-Life Cycle Analysis-Whole Life Costs
Policy lead	Louise Brereton – Head of Procurement and Logistics
Development group	Sustainability Work Group

1. Introduction

1.1 Dorset County Hospital NHS Foundation Trust (The Trust) acknowledges the importance of sustainable procurement and its role as an agent for change in the broader sustainable development agenda.

1.2 More than half of the NHS England's total carbon footprint is associated with the products and services it procures. Carbon emissions associated with the extraction, processing, assembly, packaging, transport, storage and handling of products and materials that are consumed directly and indirectly by service provider's account for 65% of the total NHS England carbon footprint.



1.3 The Trust spends over £40 million on non-pay items each year. Consequently, there is a tremendous opportunity to reduce our impact on the environment through the products we select and to influence our customers and suppliers to improve their sustainability.

1.4 The definition of sustainable procurement that applies to this policy is:

“The 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 in terms of generating benefits not only to the organisation, but also to society and the economy, whilst minimising damage to the environment.”
(Procuring the Future 2006)

2. Aims and Objectives of the policy

2.1 Objectives of the policy

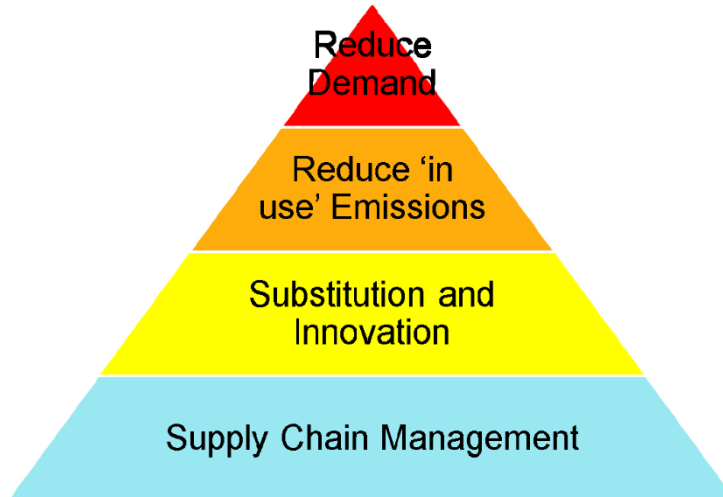
2.1.1 To support the delivery of the Trust's [Sustainability Plan](#)

2.1.2 To support the delivery of the Trust's Social Value Action Plan

2.1.3 To promote equality and diversity in the supply chain.

2.1.4 To take into account the whole life-cycle carbon footprint of products and consider carbon as part of the tender and decision-making process.

Hierarchy of Interventions



Scope: This policy covers all commercial activities at Dorset County Hospital NHS Foundation Trust.

2.2 Aims of the policy:

The Trust recognises the importance of Good Corporate Citizenship and of promoting and maintaining high levels of environmental, social and ethical conduct, and in doing so aim to:

- 2.2.1 Ensure key people receive training on the principles of sustainable procurement and how to apply these in practice.
- 2.2.2 Communicate the Trust's Sustainable Procurement Policy to all suppliers and appropriate stakeholders.
- 2.2.3 Engage with suppliers to ensure that they are aware of the Trust's Sustainable Procurement Policy and encourage them to improve and report upon their own environmental, social value and equality performance.
- 2.2.4 Review the sustainability risks associated with products and services, and target high-risk /high-expenditure commodities.
- 2.2.5 Include sustainability and equality considerations in the assessment of suppliers and contractors and their products and work together with suppliers and contractors to improve sustainable performance.
- 2.2.6 Meet relevant statutory requirements and help set the standards for best sustainable purchasing practice.
- 2.2.7 Seek assurance that high-risk/high-expenditure suppliers comply with all relevant legislation.
- 2.2.8 Apply whole life costing to procurement decisions. Consider value for money in terms of durability, running costs, maintenance, and disposal costs rather than simply the initial purchase price.
- 2.2.9 Set targets to improve sustainability and social value and share the results internally to demonstrate improvement.

- 2.2.10 Share experience with others and promote good practice with respect to purchasing and sustainable development.
- 2.2.11 Encourage all members of staff to question the need for new items and the quantities to be purchased.
- 2.2.12 Consider opportunities for products that are made from recycled materials and/or recyclable at the end of life.
- 2.2.13 Consider opportunities for products which can be operated in an energy efficient manner and/or without wasting water.
- 2.2.14 Consider opportunities for using recycled items or for recycling items (eg furniture or similar goods) internally within the trust or across the Integrated Care System of Dorset.
- 2.2.15 Ensure the results of sustainable procurement activities are measured and reported to all relevant stakeholders.
- 2.2.16 To ensure that procurement activity aims to reduce avoidable inequalities and improves health and wellbeing across its community.
- 2.2.17 Conduct an annual review of the policy.

3 Who the policy is for

All employees of the Trust who procure goods and services have a responsibility for delivering the objectives contained within this sustainable procurement policy. This Sustainable Procurement Strategy and the Commercial Services Department will assist members of staff to consider and balance their requirements against sustainability outcomes.

4 Roles and responsibilities

The Head of Procurement and Logistics has overall accountability for this policy and will ensure that it is adopted within all departments and services across the Trust.

5 Monitoring and reviewing arrangements

This Policy is reviewed every 24 months.

6 Policy Content

6.1. Strategic Context

Breakdown of NHS England 2010 Emissions

The UK Government's strategy for sustainable development provides a mandate for the NHS to engage in sustainable development. The strategies focus on four areas which provide the framework for the Trust's Sustainability Policy and Carbon Management Plan:

Sustainable development and production – using fewer material goods, using locally produced goods and services, minimising waste, maximising energy efficiency

Climate change and energy – encouraging low carbon and travel habits, investing in energy from sustainable sources, using the most energy efficient goods and services

Protecting natural resources and environment – air, water, soil and biological resources

Creating sustainable communities and social value– green spaces and access to nature, land use planning and public spaces, transport, cycle lanes, recreational facilities, social support networks, accessible low cost food – and a fairer world – reducing health and other inequalities

There is much work to be done on sustainable development within the Trust, and the integration of sustainability considerations into the procurement cycle will become an integrated part of the procurement process.

The Procurement Department will demonstrate sustainable procurement practice and will work with its supply chains to achieve this by addressing specific aspects such as:

- Reducing fossil fuel usage to minimise climate change
- Reducing usage of hazardous materials
- Reducing waste
- Reducing use of transport
- Improving Social Value
- Maximise Local Investment
- Increase Local Employment
- Champion Equality, Diversity & Inclusion

To address the aspects outlined above, the Procurement Department will:

- Determine the need for procurement through the development of business cases and, as part of that process, consider alternative solutions to deliver the required outcomes
- Procure to support the delivery of effective and efficient healthcare services, underpinning improvement in the public's health and the reduction of health inequalities and the development of the local economy
- Promote innovation within the Supply Chain which will provide more sustainable solutions
- Promote transparency of procurement practice and decision-making, limiting the scope for unethical conduct (e.g. bribery, corruption, deception, intimidation, fraud)
- Promote effective working relationships throughout the Supply Chain including ethical work practices within suppliers
- Provide support for the development of awareness, understanding and competency in relation to sustainable procurement to all procurement professionals within the Procurement Department and the wider procurement function
- Support the local economy by choosing suppliers close to the point of service delivery, where possible.
- Increase accessibility and improve opportunities for local businesses and social enterprises to bid for contracts throughout the supply chain. Develop local supply chains which will impact on local economic growth for the longer term.
- Commit to sourcing raw materials locally, where possible.

- Commit to sourcing local services, where possible.
- Aim to ensure all suppliers have Social Value/ Sustainability statement/ policy (incl to Living wage)
- Aim to ensure all suppliers have equality and diversity statement/policy.

6.2. What is a Sustainable Product?

A more sustainable product can be described as being:

- Fit for purpose and providing value for money
- Energy efficient and resource efficient
- Non (or reduced) polluting
- Durable, easily upgraded, and repairable
- Reusable and recyclable
- Ethically sourced, ethically sound and socially sustainable, this includes supplier's workplace practices

6.3. Economic Regeneration and Social Value

The Trust is one of the largest spending organisations in its locality and the more money that is spent locally, the greater the positive impact and social value this will have on the local economy, particularly for small and medium sized businesses. A healthy local economy and people being in good employment is good for people's health and wellbeing and should reduce inequalities.

Procurement legislation and the Trusts own Standing Orders / Standing Financial Instructions limits the Trusts ability to favor local businesses, but there are numerous ways in which it can legitimately support local businesses including:

- Working proactively with partners to support local businesses through face-to-face meetings to explain how to do business with the Trust and obtain their feedback to improve documentation and processes.
- Encourage local SME's (Small, Medium Enterprises) to join the electronic portal used by the Trust for Quotation / Tender exercises, which will open up opportunities to compete for regional business which they would normally be unaware of.
- Issuing contracts in a manner, where possible, that doesn't preclude the following from Tendering:
 - Local and regional companies
 - Small and Medium sized enterprises
 - Newly formed businesses
 - The voluntary and community sector

The challenge for procurement is to balance the following conflicting priorities:

Obtaining value for money and the required quality / quantity, sourcing locally where possible within the legislative framework whilst considering the national priority outcomes in their procurement activities:

- creating new businesses, new jobs and new skills;
- tackling climate change and reducing waste, and
- improving supplier diversity, innovation and resilience.

6.4 Sustainability objectives achieved to date

Sustainability criteria has been embedded into the procurement Tender process, (for example, purchases & contracts over the OJEU limits of £122,976 ex VAT – shown below).

Current Tender Criteria: Sustainability

The Tenderer must provide an assessment of the sustainability of the product or service requirements of this contract and how their offer shall manage these impacts.

On request, the Tenderer must provide documentary evidence to demonstrate that any packaging has been minimised and therefore complies with the requirements of relevant EU Directives. Suppliers should hold /or be working towards ISO18601-606.

On request, the Tenderer must provide such packaging data as is required by the NHS Supply Chain to discharge its statutory duties under the UK's (Packaging and Packaging Waste 94/62/EC Producer Responsibility Obligations (Packaging Waste) Regulations January 2006.

The Tenderer must provide information regarding the proportion by weight, of post-consumer recycled material in the product and in the product packaging.

The Tenderer must provide information regarding the weight and volume of product packaging applied to products and received by NHS bodies and/or the NHS Supply Chain.

The Tenderer must provide information regarding the management of the product at end-of-life, including but not restricted to, opportunities for re-use and recycling.

Sustainability has been given a minimum scoring of 5% of the total award criteria in relevant tender projects (Example Below).

Please confirm details of your Company's Sustainability Policies including reference to Annual CO2 Emission reporting and how this links to your Green Transport / Environmental Management Policies? How your company plans to reduce its CO2 Emissions, any Policies to reduce the amount of packaging or deliveries made (5%)

Sustainability has been built into the Contract / Supplier Management process as a management tool to identify / drive future cost savings / service improvements.

6.5. Future objectives:

6.5.1 To seek alternatives to products and processes which are detrimental to the environment and social well-being by using more environmentally friendly and ethically traded and fair trade products and processes.

6.5.2 To minimise waste, including any packaging, waste produced by the product (or service) in question, during manufacture, through usage and waste generated by the eventual disposal of the product.

6.5.3 To maximise the reuse and recycling of materials

- 6.5.4 To stimulate demand for environmentally friendly products by letting manufacturers and suppliers know the environmental performance we expect of our products.
- 6.5.5 To drive change in the Trust's supply chain by including the below requirements in all tendering activity.
- The tenderer must have a Social Value/Sustainability statement/policy or must be able to evidence that it is currently in development and will be completed within the next 12 months.
 - The tenderer must have an Equality and Diversity statement/policy or must be able to evidence that it is currently in development and will be completed within the next 12 months.
- 6.5.6 Increase the minimum requirement from 5% to 10% weighting towards sustainability in award criteria including, inter alia: environmental impact, social value impact, equality impact.
- 6.5.7 Assist towards the Trust Carbon Reduction Strategy target by investigating Carbon Footprint of products:
- Reduce energy and water usage.
 - Reduce packaging
 - Avoiding waste and reducing landfill
 - Check if supplier(s) will take back any substantial packaging for reuse
 - Check with supplier(s) to ensure that packaging used on the product is recyclable
- 6.5.8 Ensure the Trust's supply chain has a strong commitment to equality and diversity and aligns with the Trust's strategy focusing on People, Place and Partnership.
- 6.5.9 As part of the Trust's consideration of the commercial delivery, the below actions will be implemented:
- Publication of procurement pipelines and advertising upcoming opportunities through the use of PIN's even if not required through regulation, where appropriate.
 - Through the Category Management process, the Procurement department will undertake market health and capability assessments to establish how the commercial strategy and contract design could be set to address potential market weaknesses.
 - Complex outsourcing projects should go through an independent review prior to any commitment being made in order to benefit from cross sector expertise in assuring deliverability, affordability and value for money.
 - Delivery model assessments (also known as Make versus Buy). Contracting authorities should conduct a proportionate delivery model assessment before deciding whether to outsource, insource or re-procure a service through evidenced based analysis.
 - Should Cost Model. Complex projects should produce a Should Cost Model as part of the OBC process to estimate the total cost of delivering the service and protect the contracting authority from low bid bias.

6.6. The Procurement Process

Purchasers are advised to consider environmental and sustainability issues as early as possible in the procurement process, as this is where the strongest opportunities for achieving sustainable procurement can be found.

Stage 1 – Identify the need

All procurement of goods, works and services for the Trust must be carried out in accordance with EU and UK legislation. The Trust operates under the Standing Orders (SO's) and Standing Financial Instructions (SFI's), which can be found on the Trust's intranet:

<http://www-local/front-page>

The process of identifying the need is the most important point in the procurement process for considering environmental and sustainability issues. You may want to question whether the purchase is really essential or could use be made of an existing product or a more environmentally friendly product or service.

Working with potential suppliers at this stage can be very beneficial and lead to, for example, reduced or returnable packaging, minimised road transport and more environmentally friendly production processes and good/ethical workforce practices. Early supplier engagement allows the Trust to consider how its Suppliers/ Contractors can improve the environmental qualities of products and manufacturing processes, both of which are likely to have a positive effect on whole life costs and hence value for money. However, you must be cautious to not over involve or accept the views of particular suppliers in determining the Trust's needs. The Specification must be generic and not supplier / product specific.

Stage 2 – Specification

Careful consideration needs to be given to the way in which goods and services are specified in Tender documents and Quotation requests. However, legislation requires that the Trust does not indulge in anti-competitive or restrictive practices. To exclude certain sources of supply may be deemed anti-competitive or restrictive. The Trust is able to specify positive requirements that are:

- Applied equally to all Tenderers
- Appropriate and relevant to the Goods / Services required
- Specified in the Tender documents if going to tender
- Not anti-competitive or specify branded products
- Not non-commercial.

When writing a Specification, consideration should be given to the Goods and / or Service over their lifecycle. The following can be used as a checklist to identify the potential sustainable development impacts of the goods / service you are procuring:

- Specify the use of sustainably sourced materials
- Specify the conditions for the disposal of packaging and the goods at the end of their use / life
- Specify ethical workforce practices in the production/supply chain
- Decrease transport impacts
- Use of recycled materials and / or materials which can easily be re-used or recycled at the end of their life

Stage 3 – Choosing Suppliers

In choosing suppliers, care must be taken to ensure all potential suppliers are treated fairly and that they are each assessed using the same criteria. Suppliers may be rejected if they have been found guilty of a criminal offence, concerning professional conduct, or if they have been guilty of grave professional misconduct, which can be proven. There is an opportunity to consider environmental matters in both cases.

For large contracts, the Trust would use a pre-qualification questionnaire / selection questionnaire (SQ) that includes a section of questions on environmental and social/ workforce matters. Potential suppliers should demonstrate that they have a serious commitment to protecting the environment in their systems and processes. This could either be by holding or working towards recognised standards such as ISO14001 Environmental Management Standard.

Potential suppliers can be asked to demonstrate their environmental technical competence, particularly where this is relevant to the subject of the contract, for example in construction or waste disposal contracts. In this case we can ask for specific knowledge or experience, descriptions of systems and processes for quality assurance and an indication of any environmental measures currently in place. Site visits can also be carried out.

Care needs to be taken to ensure that all candidates are treated fairly. Remember to ensure that any evidence asked for is directly linked to the subject of the contract and ensure that information is only asked for on general policies where these have a direct effect on the suppliers' ability to perform the contract.

Stage 4 – Awarding the contract

A full explanation of the evaluation criteria must be defined for all Tenders undertaken within the European Procurement Directives in the Tender advertisement, and within the Tender documentation.

To consider factors other than price alone, the Trust should use 'the most economically advantageous Tender' (M.E.A.T.) option. This allows the evaluation of bids using a range of criteria for example: cost, quality, technical merit, aesthetic, and functional characteristics and running costs, all of which can have a direct impact on the environment. In assessing bids, the 'whole life cost' of Goods / Services should be considered. (see Stage 13 below)

The award criteria must be relevant to the subject of the contract. Purchasers should ensure that any environmental considerations are built into the Tender specification at the earliest possible stage.

Stage 5 – Managing the contract

The contract forms the agreement that both parties (the Trust and the supplier / contractor) work together for continuous improvement and mutual benefit. The process of contract management involves monitoring the contractor's performance against the standards laid down in the contract conditions and specification.

Contract conditions can be used to set environmental and / or sustainability and social value targets for performance of the contract, whereby the contractor and customer can work together on continuous improvement in performance. For example:

- reducing transportation
- reworking the procurement chain to remove wasteful processes

- increasing the recycled content of products
- minimising packaging or
- using only returnable packaging materials
- increasing local employment opportunities

Care should also be taken to ensure that the Public Contract Regulations are adhered to as well as compliance to the Trusts' Standing Orders and Standing Financial Instructions.

Stage 6 – Life Cycle Analysis

There has been a massive increase in procuring goods that have been sourced sustainably, that are energy efficient during use and can be recycled at the product's end of life. However, it is the purchaser's responsibility to buy these goods in the first place and to ensure that they are used and disposed of as they were intended. It takes both producers and purchasers to be responsible for a product's 'life cycle'.

The main environmental impacts of products occur at different times throughout their lifecycle. For some products, such as a plastic chair, the main impacts arise in the production and disposal whereas a fridge or freezer, which uses electricity, has impacts all the way through its life.

Stage 7 – Whole Life Costs

A life cycle analysis considers the total cost of a purchase, not just the immediate price. It takes the following factors into consideration:

Factors	Examples
Direct running costs	Energy, water, and other resources used over the lifetime of the product/service.
Indirect costs	Less energy efficient IT equipment will produce more heat causing units in air-conditioned buildings to work harder, thus increasing the electricity bill.
Administration costs	Overheads from purchases requiring special handling and disposal (i.e. pesticides and cleaning products).
Fixed	
Variable	
Spending to save (invest to save)	Buying more durable or energy efficient products which may initially be more expensive but results in long-term savings.
Training	Time, money and effort spent training staff to operate products if they are not user friendly.
Recycling capabilities	Purchasers can create markets for their own waste by buying products containing recycled materials (i.e. paper, remanufactured toner cartridges etc).
Specifying refurbished products	Purchasers can buy refurbished products / parts rather than insisting on new items.

Cost of disposal	It may be worthwhile to pay a premium to a supplier to remove the product or hazardous substance at the end of its life.
Disposal options	<p>Reduce - Only buy when necessary</p> <p>Re-use - Have systems in place whereby items such as furniture, equipment and other office related goods can be re-allocated within the Trust, instead of being discarded.</p> <p>Recycle - Specify to suppliers that they should operate a system to take back any packaging and unwanted/spent items which can be recycled or re-used.</p>

7 Approval and ratification

Approved by – Social Value Working Group and Sustainability and Travel Working Group.

Appendix A

EQUALITY IMPACT AND COMPLIANCE ASSESSMENT

1. General	
Title of document	Sustainable Procurement Policy
Purpose of document	To support the delivery of the Trusts Sustainability Plan and to take into account the whole life-cycle impacts of its products in relation to Sustainability and Social Value.
Intended scope	All employees of the Trust who procure goods and services.

2. Consultation	
Which groups/associations/bodies or individuals were consulted in the formulation of this document?	Procurement and Logistics Department, Social Value Working Group and Sustainability and Travel Working Group
What was the impact of any feedback on the document?	tbc
Who was involved in the approval of the final document?	Social Value Working Group and Sustainability and Travel Working Group
Any other comments to record?	tbc

3. Equality Impact Assessment	
Does the document unfairly affect certain staff or groups of staff? If so, please state how this is justified.	No
What measures are proposed to address any inequity?	NA
Can the document be made available in alternative format or in translation?	Yes

4. Compliance Assessment	
Does the document comply with relevant employment legislation? Please specify.	NA

5. Document assessed by:	
Name	Ross Cumber
Post Title/ Position	Category Manager, Procurement & Logistics
Date	16/09/2021

Appendix B

Data Protection Impact Assessment (DPIA) Screening Questionnaire

Project/ Policy/ Procedure Title: **Sustainable Procurement Policy**

Project Lead:

Date: 16/09/2021

Question	Yes	No	Unsure	Comments
1 Are privacy-intrusive ¹ technologies being used?		X		
2 Are new and untested technologies being used?		X		
3 Are the purposes of data processing unclear?		X		
4 What is the lawful basis for processing data?		X		
5 Are new or substantially different identification authentication requirements needed?		X		
6 Will there be a significant amount of new data about each person, or a significant change in the current data-holdings?		X		
7 Will there be new data about a significant number of people?		X		
8 Will there be a new link of personal data with another data-holding?		X		
9 Are the data collection procedures new, changed, unclear or intrusive?		X		
10 Will there be a new or changed data quality process?		X		
11 Will there be new or changed data security arrangements?		X		
12 Are there new or changed data access or disclosure arrangements?		X		

¹ Intrusion can come in the form of collection of excessive personal information, disclosure of personal information without consent and misuse of such information. It can include the collection of information through surveillance or monitoring of how people act in public or private spaces and through the monitoring of communications whether by post, phone or online and extends to monitoring the records of senders and recipients as well as the content of messages.

13	Are there new or changed data retention arrangements?		X		
14	Has any external data sharing been identified on the departments data flow map?		X		
15	Is the personal data likely to raise privacy concerns with the individuals? e.g. health records, criminal records		X		
16	Is there any use of highly sensitive or biometric data? e.g. protected characteristics or finger print recognition		X		
17	Will personal data be disclosed to organisations or people who have not previously had access to the data?		X		
18	Will data collection and processing result in automated decision making which will have a significant impact on the individuals concerned?		X		
19	Will individuals be compelled to provide information about themselves?		X		
20	Is there a contract or data sharing agreement in place with all third parties?		X		

If you have answered 'Yes' or 'Unsure' to any of the above, please consult with the Information Governance and Data Protection Officer. You may need to complete the full DPIA.

If all answers are 'No' or the Information Governance and Data Protection Officer has been consulted and approves, this Screening Questionnaire can be signed off by the Project Lead and responsible Information Asset Owner.

Name	Job Title	Date
Ross Cumber	Category Manager, Procurement & Logistics	16/09/2021