

December 2022



# Procurement Policy 2022-2025

## Summary



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## **1.0 What is procurement?**

- 1.1 Procurement is the process of purchasing goods, works and services to enable Eastleigh Borough Council (the Council) to fulfil its functions. The Council's suppliers are one of its key stakeholders and the Council seeks to work collaboratively for a mutually beneficial relationship with its supply chain.
- 1.2 Sustainable procurement means considering the environmental, social and economic impacts when purchasing goods and services.
- 1.3 This is achieved through addressing issues such as inequality, poverty, working conditions in the supply chain, purchasing sustainable goods, products and services and embedding circular economy principles to reduce waste. This type of procurement can bring additional benefit to the community, over and above direct purchasing, known as Social Value.

## **2.0 Purpose**

- 2.1 The purpose of this policy is to introduce and inform all Council employees, procuring managers, suppliers and contractors of the Council's new expectations in relation to procuring goods and services in a more sustainable way.
- 2.2 This includes through considering the wider environmental, social and economic benefits when procuring goods and services, and in particular the Council's suppliers' carbon emissions.
- 2.3 Responsible officers, procuring managers, suppliers and contractors should also refer to the full details of the policy within the accompanying Guidance and Implementation document.

## **3.0 Aim**

- 3.1 The Council recognises that it has a vital role in furthering sustainable development, through its procurement of buildings, goods, works, labour and services.
- 3.2 The Council will aim to procure goods and services in a way that balances value for money over the long term and gives value to the wider society and economy, whilst minimising its impact on the environment.
- 3.3 The Council also aim to ensure that all of its suppliers above the current contract threshold consider and actively reduce their greenhouse gas emissions and carbon footprint.

## **4.0 Our policy**

- 4.1 Through our procurement process, we will favour suppliers that actively:

Reduce their environmental footprint through:

- Reducing the lifecycle carbon impact of their goods and services;
- Aligning their aims with the Council's Climate and Environmental Emergency Strategy;
- Conserving resources, including the use of energy, water and materials; and

- Reducing waste and increasing reuse within their goods, services and operations.

Deliver benefits to society through:

- Complying with International Labour Organization (ILO) principles in respect to human rights and conditions of employment;
- Ensuring that slavery and human trafficking is not taking place in any of their supply chains and in any part of their business;
- Ensuring that our procured goods and services, and the supply chains that our suppliers' use are ethically sourced (therefore in a morally good and correct manner);
- Ensuring that our procured goods and services are equitable and accessible to service users;
- Ensuring appropriate and positive workplace behaviour;
- Ensuring compliance with equalities legislation; and
- Aligning their aims and ambitions with the Council's Equalities Strategy.

Drive economic growth through:

- Supporting local job creation and facilitating opportunities for small-and-medium-sized enterprises (SMEs) and social businesses with local spend and employment where possible;
- Actively reducing the life-cycle cost of products; and
- Providing the living wage (at a minimum) to employees and contractors.

4.2 In particular, to reduce the lifecycle carbon impact of the Council's suppliers' goods and services, the Council's new requirements for suppliers of contracts over the current contract threshold value are outlined below:

**New requirements for suppliers of contracts over the current contract threshold value:**

**From 1<sup>st</sup> October 2023**

- Suppliers must report their 'Scope 1 and 2' greenhouse gas emissions on an annual basis

**From 1<sup>st</sup> April 2024**

- Suppliers must report their 'Scope 1, 2 and 3' greenhouse gas emissions on an annual basis

**From 1<sup>st</sup> April 2025**

- Suppliers must report their 'Scope 1, 2 and 3' greenhouse gas emissions on an annual basis and demonstrate the adoption of a carbon reduction plan for their business

- 4.3 Suppliers will be given a 6-month grace period to adopt the new requirements from contract award. Advice on how to measure greenhouse gas emissions is provided in the accompanying Guidance and Implementation document.

## **5.0 Scoring for social value and tender evaluation**

- 5.1 To design in wider social value requirements during procurement activities, in addition to the greenhouse gas emission pass / fail questions, responsible officers and managers should now also select and score wider social value considerations (identified within the policy wording in paragraph 4.1) as appropriate to the tender exercise, in addition to their service specific requirements and processes.
- 5.2 Responsible officers and managers selecting social value considerations as part of their tender evaluation process will also need to define their scoring methodology in line with their requirements.

## **6.0 Buying Standards**

- 6.1 Responsible officers and managers who are procuring goods, services and works should now also set specific standards for the products they purchase. The Council should be striving to achieve the best practise standards (as a minimum) identified within the Government Buying Standards (GBS).
- 6.2 Responsible officers and managers should also consider the longer-term best value lifecycle of the products that they purchase, the principle of 'buy once, buy right', economies of scale (buying in bulk, where relevant) and the reparability of the products that they purchase.
- 6.3 Further to the GBS, the Council also reaffirms its long-standing policy recognising the critical role of peatlands by not knowingly using compost that contains peat in the borough and it seeks to ban the use of unsustainably sourced materials or consumables such as palm oil and other virgin products where deforestation or natural habitat destruction has taken place for its production.

## **7.0 Monitoring**

- 7.1 Supplier greenhouse gas emission reports should be reported annually to the Council's respective contract manager, Climate Change Manager, Sustainability Officer and Procurement and Insurance Officer on the phased in basis outlined in paragraph 4.2.
- 7.2 Responsible officers and managers will also need to establish a meaningful and proportionate method of measuring the wider social value criteria adopted as part of the contract throughout the lifetime of a contract, to complement their usual reporting practises. The adopted indicators should be reported to the Climate Change Manager, Sustainability Officer and Procurement and Insurance Officer on a quarterly basis from contract award.