Climate action strategy

Low carbon procurement guide





Contents

Overview

- 1. Purpose of this document
- 2. Modern Slavery
- Planet
- 4. Biodiversity
- 5. Low carbon procurement aims and objectives

Guidance for officers

- 1. Pre-procurement
- Supplier evaluation & selection
- Mobilisation & contract management
- 4. Supplier spend
- Value for money vs traditional costing purchasing
- Specification considerations for specific spend types

Appendix

- 1. Appendix 1: Definitions
- **Appendix 2: Procurement Checklist**
- 4. Appendix 4: NRMM guide

Appendix 3: Standards and certifications

Responsible procurement is one aspect of being a responsible business. As a responsible business we seek to use our spending power to the benefit of our community and wider stakeholders. The City Corporation defines responsible procurement as having three main pillars:

- environmental sustainability
- social value
- ethical sourcing

Officers must consider how to maximise social value and ensure risks to environmental sustainability and ethical sourcing are minimised when purchasing on behalf of the City Corporation.

This document is an extension of our **Responsible Procurement Policy and** our commitment to being a Responsible Business. It supports our vision to create a future where the planet is healthier, focusing on Air Quality, Climate Action, **Waste and Single Use Plastic** Reduction and Biodiversity.

It is recommended that you read the overview once and guidance for officers onwards as new projects start.

Clicking on the content headings will take you to the correct page.

3. APPENDIX













1. Overview

CITY

1. Purpose of this document

- 2. Introduction to sustainable procurement
- Modern slavery
- Equity, diversity and inclusion
- 3. Planet
- 4. **Biodiversity**
- 5. Low carbon procurement aims and objectives
- City of London policies
- Sustainable development goals



1.1 Purpose of this document

The City Corporation commits to working with its supply chain to:

- Take Climate Action and minimise environmental impacts of procurement on our operations and throughout our supply chain.
- Encourage and facilitate Supplier
 Diversity (Diverse Owned Enterprises and SMEs) through direct contracts, partnerships, and active monitoring.
- Embed equity, diversity and inclusion throughout the contract process and work with suppliers who have proven to take active steps within their own organisations, supply chain and industry.

- Protect human rights in our supply chain by working with suppliers who undertake due diligence to guard against modern slavery and other human rights abuses.
- Facilitate meaningful work-related opportunities, which are actively targeted to enable social mobility and inclusion.
- Achieve meaningful social value outcomes according to organisational and stakeholder priorities through internal collaboration, community input and supplier engagement.

Taking Climate Action is the number one responsible procurement commitment. Officers must consider how to decarbonise our supply chain and promote sustainable procurement. This refers to the process whereby departments meet their need for goods, services and works in a way that benefits the environment, society, and the economy.



1.2 Modern Slavery

Sustainable procurement must consider people as well as the planet when deciding what goods, services and works meet our needs. We should avoid decisions that will negatively impact the human rights and needs of others in the effort to reduce our carbon footprint.

Modern slavery

Modern slavery¹ is when an individual is exploited by others, for personal or commercial gain. Whether tricked, coerced, or forced, they lose their freedom. This includes but is not limited to;

- 1. human trafficking,
- 2. forced labour,
- 3. debt bondage.

Victims of modern slavery might face violence or threats, be forced into inescapable debt, or have their passport taken away and face being threatened with deportation. Many people have fallen into this trap because they were trying to escape poverty or insecurity, improve their lives and support their families.

Climate change and modern slavery form a vicious circle² in which the climate crisis forces many people into work that actively contributes to environmental harm.

As climate change threatens society, we are beginning to see the heightened vulnerabilities that people experience, as they are faced with losing their livelihoods and contemplating migration which makes them more at risk of exploitation³.

Modern slavery is a particular risk when procuring items in the following categories:

- Agriculture: Flowers, Tea, coffee, Sugar, Seasonal foods
- Cleaning: Workers paid below National Minimum Wage
- Construction: Security services, any works being carried out, specialist labour supply
- Electronics: Phones, Laptops, AV equipment, Solar panels, and devices with multiple product parts that consume energy
- Textiles: Uniforms, Bedding, Fabric Tablecloths

1What is modern slavery? | Anti-Slavery International (antislavery.org)
2Climate change and modern slavery: a vicious circle (antislavery.org)
3Climate change and modern slavery: the nexus that cannot be ignored
International Institute for Environment and Development (iied.org)



Fairtrade

Fairtrade⁴ is a system of certification that aims to ensure a set of standards are met in the production and supply of a product or ingredient. For farmers and workers, Fairtrade means workers' rights, safer working conditions and fairer pay. For shoppers it means high quality, ethically produced products.

Choosing Fairtrade means standing with farmers for fairness and equality, against some of the biggest challenges the world faces. It means farmers creating change, from investing in climate friendly farming techniques to developing women in leadership.

With Fairtrade you change the world a little bit every day. Through simple shopping choices you are showing businesses and governments that you believe in fair and just trade.

Note: The food and catering Government buying standard references ethical trading but doesn't directly reference fair trade and the logo is shown under the <u>eco labels section</u> of this document.

4What is Fairtrade? - Fairtrade Foundation





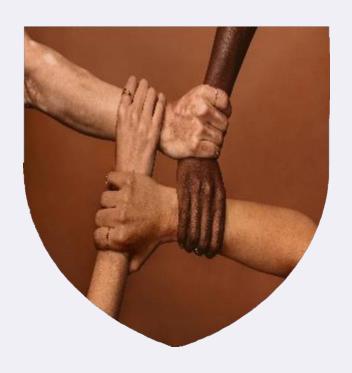
Equity, Diversity and Inclusion (EDI)

Incorporating equality outcomes, where relevant and in a proportionate way, should be a normal part of designing and specifying a service. It is important they are considered at the start of the procurement process. This will help identify the specific needs of different potential users and allow them to be appropriately reflected in the process.

Sectors where discrimination exists, or where inequality such as pay gaps or occupational segregation is prevalent, include:

- Agriculture: Flowers, Tea, coffee, Sugar, Seasonal foods
- Construction: recruitment services, facilities management, ICT and engineering services, uniforms and PPE, food, catering, manufacture, transport, and communication
- Social care: transport, communication, food, catering, carers
- Facilities: recruitment services, ICT and engineering services, uniforms and PPE, food, catering, manufacture, transport, and communication

If you are purchasing services in this sector, officers should consider if standard specification wording or a tender question on equality outcomes is relevant. Please see the Responsible Procurement Toolkit or speak with the Responsible Procurement Manager for more information.





1.3 Planet

Sustainability is concerned with protecting the planet, limiting climate change, and promoting social development, without endangering life on Earth or leaving anyone behind. This concept seeks to cover our present needs without compromising resources for future generations.

The environment does not have unlimited resources, many that society interacts with on a daily basis have taken millions of years to form, in order to preserve the current standard of living and maintain access to raw materials the way we consume and dispose of these materials needs to be reviewed, specifically moving from a linear model of consumption (take, make, waste) to a circular model (reusing end of life products to create new ones). See diagrams.



https://www.procarton.com/publication/circular-v-linear-economy/

Circular Economy







1.4 Biodiversity

Biodiversity and nature loss are inextricably linked to climate change, and everyone can play their part to be an agent of change. As rising temperatures cause the loss of plants and animals, protecting natural habitats can have a positive impact on climate change, including plants and trees absorbing carbon from the atmosphere and crating shade to reduce local temperatures.

The City is subject to the 'biodiversity duty', which requires all public bodies to have regard to conserving biodiversity as part of their policy development, decision making and operational activities. The City has a <u>Biodiversity Action Plan</u> which lays out 4 key themes:

- Open space and habitat management
- The built environment
- Education and community engagement
- Data collection, surveys, and monitoring

Part 6: Nature and Biodiversity of the Environment Act 2021 states - A public authority which has any functions exercisable in relation to England must from time to time consider what action the authority can properly take, consistently with the proper exercise of its functions, to further the general biodiversity objective.

https://www.legislation.gov.uk/ukpga/2021/30/part/6/enacted

Procurement officers, through the procurement process are encouraged to consider how the supply chain can engage in supporting our Biodiversity Action Plan to ensure legislative requirements, regional and national targets for protecting, conserving and enhancing biodiversity are met at a local level.



1.5 Low carbon procurement aims and objectives

The City Corporation has adopted a Climate Action Strategy which breaks new ground and sets out how the organisation will achieve net zero, build climate resilience and champion sustainable growth, both in the UK and globally, over the next two decades.

By adopting the strategy, the City Corporation has committed to:

- Achieve net zero carbon emissions from our own operations by 2027
- Achieve net zero carbon emissions across our investments and supply chain by 2040
- Support the achievement of net zero for the Square Mile by 2040
- Invest in supporting these goals which includes preparing the Square Mile for extreme weather events.

This guidance aims to support these commitments by using procurement as a catalyst for change and influence with the supply chain. This guide will apply to all purchases undertaken by Officers across the City Corporation and City Police.

City Corporation policies

We have the following related strategies and policies that support low carbon procurement. These form the basis of our commitment to low carbon, social value, ethical sourcing and being a responsible business:

- Climate Action Strategy City of London
- Air Quality Strategy City of London
- Biodiversity in the Square MileCity of London
- Responsible business City of London
- Responsible Procurement policy
 City of London
- Single Use Plastic Policy
- Transition to a Zero Emission Fleet Policy



Sustainable Development Goals

In meeting the objective for low carbon procurement, we will align ourselves most closely with the following UN Sustainable **Development Goals:**

- 11: Sustainable Cities and Communities make cities and human settlements inclusive, safe, resilient, and sustainable
- 12: Responsible Consumption and Production – ensure sustainable consumption and production patterns
- 13: Climate Action take urgent action to combat climate changes and its impacts

The Sustainable Development Goals recognise that true sustainability must be a multiple layered approach, pursuing only one element could have unintended negative consequences elsewhere, for example, upgrading all items of technology will result in higher performing and more efficient devises, however, obtaining enough raw material to meet this demand could negatively affect people's health and wellbeing in the extraction and processing stages.







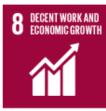








13 CLIMATE ACTION



14 LIFE BELOW WATER



























2.1 Pre procurement

2.2 Supplier evaluation and selection

- Eco labels
- Other environmental certifications
- Government buying standards
- Carbon heatmap

2.3 Mobilisation and contract management

2.4 Supplier spend

2.5 Value for money vs traditional costing purchasing

- Lifetime Vs upfront costs
- Preventative Vs reactive maintenance
- Standard items Vs bespoke items
- □ Reusable Vs disposable
- Modular Vs fixed items
- Waste (take back schemes)
- ▼ Time (reuse & storage Vs skips)
- □ Circular economy Vs linear economy
- Transport (distance, minimum orders)
- Corporation Vs local budget code

2.6 Specification considerations for specific spend types





2.1 Pre-procurement

To be effective it is essential that consideration of low carbon procurement commitments starts at the pre-procurement stage and is carried through all stages of the procurement lifecycle.

At the commissioning planning stage prior to a procurement, it is advisable to consider the following options to ensure it is first necessary, and second, to give sustainability due consideration:

- Could I repair or refurbish the old item instead of purchasing a new one?
- Can I loan, lease, or buy it from someone / another department?
- Does the product minimise the use of natural resources and use more renewable resources?
- What is the waste generated from this product/ service in its lifecycle (packaging, bespoke items, over ordering, redundant stock, obsolescence)?
- Can the product be recycled at the end of its useful life? Through what supplier/ service?
- Is there an opportunity for reverse procurement, reverse supply chain in the service, materials, products being supplied?

- Is the product made from recycled materials?
- Is the product packed with recyclable material or reusable containers?
- Is the product purchased from a local supplier, to minimizes the ecological footprint, of transportation and supports the local economy?
- Can the additional cost accounted for improved quality be reimbursed in lower operating costs over X years?
- Are there new products in the market that will help accelerate the demand for lower carbon materials?
- Can transport and logistics be rationalised to reduce road vehicle trips for delivery?



This stage can be used as early market engagement to include 'feeler' questions on carbon reduction and waste management, to gauge the supplier's overall capacity, capability, and experience of delivering low carbon outcomes in the products and services they supply. This will help to test how well suppliers can support the City with net zero targets for carbon.

It is worth noting any operational improvements they have made within their service delivery as these can often have a sustainability benefit, for example;

- Bulk collections of old items instead of returning one by one provides an operational saving and reduces both resources and transportation miles.
- Switching to electric plant for improved H&S (less noise, vibration etc), also has an environmental benefit of improved air pollution and a reduced reliance on fossil fuels.

Key Takeaways

- Considering low carbon procurement requirements early on will ensure it is embedded into the tender process.
- If early supply chain engagement is required to understand what the market has to offer, it should be done at pre-procurement.

Procurement calls to action

- Have I considered low carbon solutions and waste management as part of what I am procuring?
- Have I engaged the supply chain about it?

2.2 Supplier Evaluation and Selection

The 2 main stages of supplier evaluation and selection are the SQ and ITT stages. Low carbon questions in these 2 stages will be based on the Heat Map as described in this next section below.

It is imperative at this stage of procurement to think about the lifecycle of the trade, category being procured and therefore, to consider carbon and greenhouse gas emissions in the end-of-life (waste and circular economy).

At the start of this stage, consider reverse procurement/reverse supply chain as an option.

Eco labels

Eco labels demonstrate a particular standard of the product, unlike more generic and unregulated terms such as "natural" or "green". To achieve an eco label the product goes through a level of testing to prove the relevant claims, for example wood products with an FSC or PEFC logo must demonstrate that it was responsibly sourced.

Obtaining these labels can be expensive and time consuming to obtain, so it isn't advised that you make this a mandatory requirement, instead you may want to pull out key themes or suggest bidders refer where applicable.

In an SQ, it is essential that suppliers can demonstrate that they possess and apply the principles of good governance. These include the below and need to be relevant and proportional to the goods, works, service being delivered for the City of London.

- Qualifications
- Competence
- Quality
- Reliability
- Responsible procurement
- Environmental





Eco label	Description	Eco label	Description
	The Mobius Loop - Each arrow represents an aspect of a successful recycling programme: collection, remanufacturing/ reprocessing into a new product, and finally purchase by the consumer. https://www.coda-plastics.co.uk/blog/the-mobius-loop-plastic-recycling-symbols-explained	BLAUER ENGRE	The Blue Angel - This scheme is administered by the German Quality Control Institute and covers a wide range of consumer products from wallpaper to tyres. For more information see website: http://www.blauer-engel.de/Englisch
***** Ecolabel	The European Ecolabel - Award of the label signals that the item meets "rigorous environmental criteria and proper fitness of use," but it does not necessarily mean that a product contains any recycled content. For more information see website: http://www.ecolabel.eu, https://eu-ecolabel.de/en/forcompanies/product-groups	SWAN ECOLABEE	The Nordic Swan - This label was introduced by the Nordic Council of Ministers to encourage production methods that create the minimum environmental impact. https://www.nordic-ecolabel.org/
European Commission	The EU GPP criteria are developed to facilitate the inclusion of green requirements in public tender documents. For more information see website: https://ec.europa.eu/environment/gpp/eu_gpp_criteria_en.htm	FSC	The Forest Stewardship Council evaluates, accredits and monitors certification organisations which inspect forest operations and grant labels certifying that timber has been produced from well managed forests. For additional information, check out their website: http://www.fsc-uk.demon.co.uk/index.html







1. OVERVIEW



Other Environmental Certifications

In the supplier evaluation and selection stage it is important to consider if the supplier possesses any of the below certifications, which also indicates the supply chain's ambitions to work towards being more sustainable.

In order of what is most commonly offered or held by the supply chain:

- ISO 14001
- EcoVadis, is becoming increasingly popular to demonstrate an ESG score
- EPDs, for some products
- Cradle-to-cradle certification

Environmental certifications help to compare organisations and provide a framework to discuss opportunities to improve.

It should be noted that each certification has a different set of criteria and varying levels of awareness within an industry, for example most organisations will have completed ISO 14001, environmental management, which has a strong link to waste management. An increasing number of organisations (particularly those with global coverage or complex supply chains) are obtaining an EcoVadis score.

Government Buying Standards

The Government Buying Standards are a minimum set of standards for products and services in the following categories. When writing a specification include the most relevant ones, this ensures a consistent minimum standard. To compliment these standards, we have also created specific guidance in Appendix 2 to ensure opportunities for low carbon considerations and minimising waste and carbon emissions is consistently embedded in the procurement process:

- Sustainable procurement: the GBS for cleaning products and services - GOV.UK (www.gov.uk) (2015)
- Sustainable procurement: the GBS for electrical goods - GOV.UK (www.gov.uk) (2015)
- Sustainable procurement: the GBS for furniture -GOV.UK (www.gov.uk) (2012)
- Sustainable procurement: the GBS for office ICT equipment - GOV.UK (www.gov.uk) (2012)
- Sustainable procurement: the GBS for paper and paper products - GOV.UK (www.gov.uk) (2012)
- Sustainable procurement: the GBS for textiles -GOV.UK (www.gov.uk) (2012)
- Sustainable procurement: the GBS for food and catering services - GOV.UK (www.gov.uk) (2021)
- Sustainable procurement: the GBS for water-using products (www.gov.uk) (2015)
- Sustainable procurement: the GBS for construction projects and buildings (www.gov.uk) (2015)
- Sustainable procurement: the GBS for **horticulture** and park services (www.gov.uk) (2015)

1. OVERVIEW

GUIDANCE FOR OFFICERS



Carbon Heatmap

The heatmap shows the prioritisation of carbon and waste impacts, across the life cycle of products and services. It is informed by the risk or opportunity with respect to carbon and air quality alongside the leverage and scope available.

The earlier that this analysis is carried out, the better informed the procurement process will be to include for low carbon, air quality & waste management questions and solutions from the supply chain. The information should then feed into the tender questions and specification.



For example:

- Highways equipment and materials will include aggregates, concrete, bituminous materials, and surface dressings. All of these are inherently high in embodied carbon in the manufacture, raw material extraction phase and hence is a red (risk). SQ and ITT questions around this issue will need to be asked of the suppliers to gauge mitigation measure, sustainable solution, and commitments.
- Transport, vehicles, and plant is one where you will have no influence over manufacture and will involve little to no packaging and hence these areas are green.



Red – High carbon impact area

- A tailored tender question should be asked on this area and specific consideration should be given in the specification. KPIs (or equivalent) are recommended to ensure focus throughout contract lifecycle.
- Amber Medium carbon impact area
- A tender question should address the sustainability of their organisation, the policies they hold and how they look for continuous improvement. The specification should refer to best practise and continuous improvement.
- Green Low carbon impact area
- Standard specification wording is sufficient.

Sustainability Impact Broad Product Category Areas	Supply Chain Manufacture - Embodied Carbon	Logistics/ delivery - GHG and AQ emissions	Packaging - embodied carbon	Use phase - GHG emissions	Use phase - Air quality emissions	End of life, waste & circular economy - GHG emissions
Highways Equipment & Materials						
Building Construction Products						
Transport, vehicles & plant						
Facilities Management						
IT						
Food						
Services						



When undertaking the process of heatmapping, ensure you consider these three questions:

1. Leverage to improve

What leverage or influence do you have with your suppliers? Are you one of their main customers; do they supply you frequently; do you have regular engagement with them? From the opposite direction, how attractive are you to the supply base; do they want to engage with you to do business.

2. Scope for improvement

What scope is there to improve the sustainability characteristics of a given product or market? What can the manufacturers and other actors do themselves to transform the market to a situation of lower impact products?

3. Relative magnitude of impact/risk.

How large is the impact, risk, or opportunity from a particular category of spend? Importantly, you should be considering the inherent risk to a particular category, despite

what mitigating measures are in place already. The severity of a risk should be considered red if the incident could result in a material business impact.

The <u>Responsible Procurement Toolkit</u>, will help you select suitable questions for the different industries.

Key takeaways

- Eco-labels, certifications buying standard are a starting point to recognise the supplier's ambitions, capacity, and capability to provide goods, works and services with low carbon considerations.
- The Heat Map exercise, which is a risk and opportunity analysis for spend categories and suppliers, will help inform the procurement team on focussing their efforts towards those categories and suppliers which pose a higher risk and need engaging and managing for low carbon requirements.

NOTE: Please refer to our Responsible Procurement Policy for value threshold and minimum weighting guidance.

Procurement calls to action

- Have I prioritised my spend categories and suppliers based on sustainability risks and opportunities?
- Have I integrated questions in the SQ and ITT stages around low carbon, waste management solutions?
- In doing so, have I utilised the applicable eco labels, industry wide standards and certifications, security compliance capabilities, where relevant and feasible?





2.3 Mobilisation and contract management

As a minimum all contracts should contain the standard climate action specification wording with contract extensions /new contracts used as an opportunity to insert this and a metric to assist ongoing monitoring of this topic.

The carbon management and waste management performance of the suppliers should be measured and monitored at regular intervals, as with any performance metrics, appropriate to the nature of the contract and the KPIs set within the contract:

- It should be frequent enough to allow for performance data to be used in managing the contract's delivery.
- For contracts that have been previously awarded with little or no carbon reduction and waste/circular economy considerations, use the performance management stage to engage the supply chain, gauge any innovative developments they are doing in terms of GHG emissions and the waste hierarchy that can lend itself to the existing contract.
- Data and information from performance reviews should be captured in an appropriate document, database or tool. The collected information should be shared with wider teams to improve the baseline and understand any lessons learnt.

- This data can be used to award suppliers who are performing exceptionally well or put in place a supplier improvement plan for the ones who are not performing well.
- Likewise, the information can be used to evaluate trends in carbon reduction over time and to understand what 'best practice' looks like, for a given contract type to support benchmarking.
- If a contract has been previously awarded with little or no consideration for low carbon and related sustainability KPIs and targets, a collaborative conversation with the supply chain at the time of contract and performance review will ensure that these requirements have been discussion prior to adding them in as contract addendum.



Annual contract reviews should be used as a check point to confirm the supplier is delivering against their tender commitments and review market developments and opportunity.

Key Takeaways

- The targets/ KPIs around low carbon and waste that were asked of the supply chain, and the commitments made in the tender responses must be written into the contract.
- Managing the supply chain performance against commitments is important. Contract management should allow for and capture supply chain performance, data, progress towards carbon reduction in the goods/ services/ works being carried out.

NOTE: Please refer to our Responsible Procurement Policy for value threshold and minimum weighting guidance.

Procurement calls to action

- Have I developed and added in contract KPIs for low carbon and waste management considerations?
- Have the sustainability commitments for the awarded supplier, service provider been communicated to the contract and asset managers for them to follow up on?



2.4 Supplier spend

Suppliers are continuing to improve the sustainability of the products they offer, when procuring, look for whether there are more sustainable options, they might be labelled as "eco", "green", "sustainable", "recyclable" etc.

Within the City's Corporate contracts with Banner and Greenham's, the stationary and janitorial supplier/ PPE respectively, you will see the logo against Banner products, whilst Greenham's host their sustainable items in a separate catalogue (look top right).

When purchasing goods from any supplier, aim to order everything at one time so only one delivery is needed and if you are based in the Guildhall North ask for it to be delivered to the CEEVA consolidation centre in Acton to reduce the number of vehicles in the City.

The address is: CEVA Logistics Limited, 40 – 48 Chase Road, Park Royal, London, NW10 6PX. Deliveries to the Guildhall Complex (sharepoint.com) Make sure there is a reference to it's final destination.

When sourcing and procuring, it is important to ask early of the supply chain for low carbon solutions and waste reduction. Making this clear at the SQ stage will mean that suppliers have early visibility of this expectation and your requirements. This will lead to competitive tenders from the suppliers around the sustainability requirement and keep the costs for sustainable solutions (if applicable) low.



2.5 Value for money vs traditional costing purchasing

Sustainably doesn't always cost more, however, it may require thinking about price in a different way.

This section seeks to provide information around the different methods of procuring items to help encourage sustainability considerations in the procurement process. The aim is to provide the best value for money both today and in the future.

Lifetime Vs upfront costs

Lifetime costs refer to the costs associated with the initial purchase, it's use and how it is disposed at end of life.

Upfront costs refer only to the initial purchase price and does not take into account how the item will be used or disposed of.

Less durable products and harder to recycle items are often cheaper up front, however, over the course of the products life, it can work out as more expensive.

Examples:

A plan for using low energy-consuming products, such LED lighting, and energyefficient air conditioning (HVAC) that also has a lower global warming potential (GWP) refrigerant, as well as other products and materials that foster energy saving, such as insulation. The upfront cost of purchase for these might seem high but the cost over the product lifetime will show a return on investment.

- A cheaper generator or piece of equipment might last only half as long as a more expensive and more durable piece of kit. Therefore, the more expensive item might have a cheaper overall cost of use per day.
- Read about the Procurement of Lighting Innovation and Technology in Europe (PRO-LITE), wherein using the WLC analysis of products allowed TfL to consider a range of information beyond unit price, including installation, maintenance, energy use, carbon, and cleaning costs. This approach demonstrated that the biggest savings were not from short term material costs, or to a greater extent energy costs, but from longer term labour costs (including cleaning, installation, and maintenance).

https://ec.europa.eu/environment/gpp/pdf/n ews alert/Issue64 Case Study 128 Lond on.pdf



Preventative Vs reactive maintenance

Preventative maintenance refers to annual services and regular checks to ensure that the equipment is in good working order, it is looking at tweaks to ensure the equipment is running at its most efficient.

Reactive maintenance responds to call outs once a breakdown/incident has occurred. and the equipment is likely no longer safe/ effective to use. Cost is then associated with the equipment's downtime as well as the cost to fix the issue.

This references the notion that the better an item is looked after the longer it will last. It is worth considering the time element of broken equipment, as it isn't just the cost to fix the equipment, but also the potential additional costs to hire an alternative or delays created by it being out of use.

Examples:

- A generator or piece of equipment on a reactive contract waits until a specific part/s has broken and needs replacing, often leading to down time whilst this takes place. If the equipment had been serviced annually, then it's possible that smaller fixes will have been made in advance such as adding lubricants or tightening joints preventing complete part failure.
- A plan for how vehicles and fleet will be managed to get the best balance between lifetime extension, efficiency and appropriate end of life management that leads to minimised greenhouse gas and air quality emissions. Providers should have fleet depreciation models/ schemes to maintain and upgrade vehicles / plant where possible. This is important to consider as emergency call-outs will lead to expensive repair costs.



Standard items Vs bespoke items

Standard items are those which the Supplier already has in stock and can be used in multiple settings for multiple occasions allowing it to be reused and limiting the amount of new resources required.

Bespoke items are ones which are made for a specific purpose and cannot be reused, this could be because they note a date/ event/ place, have non-standard dimensions or are built for a fixed position.

The more bespoke an item is, the less likely it will be suitable for another purpose either internal or external to the Corporation which reduces the sustainability of the product overall.

Examples:

■ The procurement team for COP 26 (held in the Glasgow, UK in 2021) aimed to deliver a carbon neutral convention. Helping the venues achieve this ambition, where possible, materials were rented and then either returned or donated. Approximately 96% of all product types were reused and reusable.

Read how a Nordic Swan Eco-labelled building has also been constructed so that, if necessary, it can be dismantled, and either reconstructed elsewhere or have modules safely dismantled and recycled at the factory. This opposed to it being bespoke so that it could not be used again.

https://procuraplus.org/fileadmin/user_upl oad/Procura case studies/Procuraplus case study Hyvink%c3%a4%c3%a4.pdf

1. OVERVIEW



Reusable vs disposable

Reusable items are those that can be reused again and again for example crockery, some furniture and certain types of packaging. The more an item can be reused the greater the depreciation in cost and embodied carbon.

Disposable items are often chosen for convenience and result in being single use items and consequently have a high embodied carbon value.

Catering is often an area of significant focus for this topic as food and drink aren't always consumed where they are purchased, which moves the responsibility of disposal/ collection. However, this is a fast evolving space with reusable single use packaging companies on the rise and Country's passing laws to support this transition.

It is however worth noting that in order to obtain the full benefit of a reusable item it must be used multiple times, each time you re-use a product it is saving resources.

Examples:

The onus to carry reusables doesn't always have to be on the individual, Club Zero are partnering with Just Eat and UCL campus to make reusables as convenient. Club Zero has comparable prices to compostables without the waste and half the CO2.

	Single use cups	Reusable cups
Production	Low	High
Use	High	Low
Disposal	High	Low

Read the case study of Circular catering services for the Pļaviņu Gymnasium in Latvia, wherein procurement could reduce the amount of food waste generated from the catering service, as well as plastic waste by avoiding one-use dishes.

https://ec.europa.eu/environment/gpp/pdf/news_alert/Issue_85_Case_Study_165_Plavinu.pdf



Modular Vs fixed items

Modular items allow flexibility in their use in terms of location and activity. Items that break down into smaller parts are easier and cheaper to store and transport as well as providing a greater variation of design layouts to changing business needs.

Fixed items cannot be altered which can make them harder to repurpose in a new layout or environment, this can lead to the need to dispose of the item and replace it, increasing cost and demand on resources.

It should be noted that time and labour cost will need to be factored in when making decisions around modular furniture.

Examples:

- An office floor needs to be refurbished and all the furniture is solid, as a result it is bulky and costly to store. If the furniture had been able to break apart and work with other pieces, it would have been better suited to the new layout. If items had been able to come apart, they would have taken less space to store and possibly making this more cost effective.
- Buying a cheap office chair that has fixed arms, when broken requires the whole chair to be thrown away, whereas if it had detachable arms, these could be disposed of/ replaced much more easily and cheaply. You can also use the City's WarpIt site to get rid of or find items of furniture up for Reuse across the Corporation: WarpIt (sharepoint.com)

Public Health Wales adopted a new mindset when moving office in 2016, and instead sought suppliers who could reuse and remanufacture as much already owned furniture as possible. The winning tender provided an attractive, functional office design, in which 94% of furniture was reused or remanufactured.

https://procuraplus.org/fileadmin/user_uplo ad/Procura case_studies/Procuraplus_ca se_study_Public_Health_Wales.pdf



Waste (take back schemes)

Reducing the amount of waste saves cost as it doesn't have to be disposed of, disposing of recyclable waste is cheaper than non recyclable waste as it has a higher value in the market.

A take back scheme is better than on site recycling because it looks to reintroduce the original packaging back into the manufacturing cycle, keeping the material as high up the waste hierarchy (see appendix) for as long as possible.

Examples:

- Utilising the janitorial suppliers packaging take back scheme results in less waste entering Corporation bins which could result in a reduced collection frequency, saving money or the number of containers which would save space.
- When replacing electrical items, the supplier will often take away the old models to ensure they are recycled at the highest level.
- Read about how Knauf Insulation's take back scheme saves customers costs, gives them peace of mind that waste is being dealt with responsibly and lowers the environmental impact of their products.

https://www.knaufinsulation.com/news/knau f-insulations-new-customer-waste-takeback-scheme-good-for-environment-andbusiness-0



Time (reuse & storage vs skips)

Storing items for reuse can save on disposal and purchase costs, however, it can take time to organise, especially the first time. Transport costs might also need to be factored in depending on where the items are stored as well as any costs to store the items.

Disposing of material via a skip is efficient and saves space on site, however, it results in a lower recycling rate as it increases the chance of contamination and relies on the material being sorted off site.

Examples:

In January 2023 the carpet tiles from Eldon Street were successfully taken up and the Supplier was able to reuse them on another project. This saved the disposal cost and is an example of the circular economy.

NOTE: this is easier to complete if the carpet tiles are in manageable sizes rather than one single piece for the whole room.

Sunderland City Council saved £45,000 using Warp It, whose mission is reducing waste and carbon by reusing and redistributing furniture, equipment, stationery, and countless other items.

https://getwarpit.com/sunderland-citycouncil.aspx



Circular economy vs linear economy

A circular economy is a systemic approach to economic development designed to benefit businesses, society, and the environment. In contrast to the 'take-make-waste' linear model. a circular economy is regenerative by design and aims to gradually decouple growth from the consumption of finite resources.

In the linear economy, raw natural resources are taken, transformed into products and get disposed of.

Examples:

Islington Council procure laptops on time limited leases. All laptops issued to our staff are tracked and return for secure data cleansing and reuse at the end of the lease period.

https://www.islington.gov.uk/~/media/sharepoi nt-lists/public-records/wastemanagement/ businessplanning/strategies/20212022/ 20220113circulareconomyactionplan1.pdf

 Spruce Carpets collect commercial flooring waste and end-of-line materials and fit them in the homes of those who need them the most.

https://www.sprucecarpets.org.uk/about/

 Tarkett flooring recycle any carpet tiles and turn them back into new as a price comparative product, the carbon savings range from 5 tonnes to 10 tonnes depending on the type of flooring. Circular Selection – Our recyclable products | **Tarkett**



https://www.procarton.com/publication/circular-v-linear-economy/

Circular Economy





Transport (distance, minimum orders)

- The greater the transportation distance will result in increased carbon emissions.
- The more journey's that are taken increases the amount of carbon emissions.
- Vehicle capacity that is not fully utilised increases the amount of carbon associated with the product on that delivery.

In order to reduce carbon emissions from transport consider the following:

- Using local suppliers to reduce the overall travel distance.
- Use consolidation centre's / last mile logistics to reduce traffic into the City and increase the chances of this journey being in a zero emissions vehicle.
- Increase the minimum order threshold, so that deliveries are optimised.
- Consolidate delivery days to maximise delivery space and minimise journeys in the area.

Examples:

- Deliveries to the Guildhall complex go via the CEVA consolidation centre in Acton which reduces the number of deliveries to the Guildhall on a daily basis and improves local air quality.
- Deliveries to Billingsgate Market are consolidated with DHL which significantly reduces the number of vehicles arriving on site each day.



Corporation Vs local budget code

There might be opportunities to improve sustainability if the Corporation's budget is considered as a whole rather than on an individual departmental level.

In some instances the overall more sustainable purchase might be more expensive, but then the running costs will be cheaper. As the purchasing officer might not see the return on the investment they might not make this choice. Speak to the relevant Finance representative for advice on what can be done.

Example:

- Fleet as a Service. At the moment each department has a local budget for vehicle use, however, they may not be used to their full capacity in just one department.
- Each project has a set budget, by looking at the pipeline of upcoming projects it might be that the same material is needed on multiple projects. If these orders were collated then it might result in a cheaper price as well as fewer deliveries.





OVERVIEW



2.6 Specification considerations for specific spend types

The following paragraphs provide a foundation to build your specification from if the contract contains any of these areas:

Plant, fleet, and vehicles

- All vehicles should support Ultra Low Emission Zones (ULEZ). Please refer to the Supply Chain Sustainability School's map on Clean Air Zones – https://maps.supplychainschool.co.uk/lez/index.html
- Road-going vehicles should have at least Euro 6 engines, with alternative power sources such as electric becoming increasingly preferred and viable.
- Off-road plant and equipment should be least Stage V and, as above, consider alternative power sources such as hybrid and electric. This also supports the GLA's Non Road Mobile Machinery (NRMM) criteria –

https://www.london.gov.uk/programmes-andstrategies/environment-and-climatechange/pollution-and-air-quality/nrmm

- When looking to power temporary plant or equipment, consider the following options for energy generation, ranked in order of preference: Renewable including "green" hydrogen > battery electric > Connecting to mains electricity > Hybrid > HVO > Stage V diesel.
- Fleet providers should have maintenance of vehicles in this contract to increase lifetime of components and the vehicle and to reduce waste impacts.
- Please refer to Appendix 4 for our Guide to low emission and alternative power sources and technologies for Non-Road Mobile Machinery in Greater London for full details.

Any new purchases should adhere to the following City Corporation Policies:

- Transition to A Zero Emission Fleet Policy
- Procurement Policy to Support the Air Quality Strategy
- Net Zero Design Standards



Materials

- Cold and warm application materials provided to replace the need to heat asphalts, road markings and anti-skid treatments, etc.
- Materials such as concrete, steel, asphalt, plasterboard, and packaging, should include recycled content and other constituents that give a lower embodied carbon, as well as consideration to end-of-life recyclability.
- Encouraging suppliers to bring new products to market will help accelerate the demand for lower carbon materials.
- Avoid instances of overordering, bespoke items where possible. For products, request an obsolescence policy from the suppliers.
- The Public Realm team have commissioned a Materials Review which will be live as part of the Public Realm toolkit which will be live from the end of 2023

Equipment

- Energy-using equipment should be as efficient as possible.
 - Lighting should all be LED
 - HVAC should use refrigerant gases with as low a global warming potential (GWP) as possible
- Whole life cycle performance should be considered including the type of maintenance schedule required.
- Any new purchases should adhere to City Corporation Policies.

I.C.T

- I.C.T should be compliant with Energy Star
- Strong consideration should be given to re-manufactured products over new.

- New products should be environmentally conscious with the presence of recycled content and free from modern slavery.
- The selected I.C.T companies should have circular IT policies and strategies in place.
- At end-of-life, product components should be looked at for reuse in the first instance, followed by recycling. Minimal parts should be sent to energy recovery and nothing to landfill. The disposal process should be 100% traceable.

White Goods

- White goods should have as high an energy rating as possible, with a minimum of a C rating.
- White goods should be recycled responsibly with 0% to landfill.



Paper

- All paper should be FSC or PEFC certified
- Paper must have as high as possible recycled content as possible
- Paper products should be a standard size, with bespoke sizes by exception (e.g. A5, A4 etc)
- Preferred paper weight is 80 100gsm
- Envelopes should be with recycled content, without a window as standard
- Where reasonable and feasible, alternate solutions to paper should be considered that do not generate waste, but in case of any, then recycling should be undertaken.

Timber and wood

- If the removal of hardwood trees is required, then developers should ensure that felled trees are destined for use as timber so as to 'lock in' absorbed carbon, as opposed to use as biofuels or green waste streams. See example from fallen and felled: https://www.fallenandfelled.co.uk/blogs/ne ws/a-film-about-our-work
- All wood should be FSC or PEFC certified

Cleaning materials

- Cleaning products must not include ingredients deemed of 'high concern' under REACH Regulations
- Sprays containing propellants must not be used

- Procure concentrate versions of chemicals for dilution to save cost, packaging and embodied carbon
- Look to minimise the variety of chemicals required on site
- Investigate refill options to reduce packaging
- Use reusable cleaning cloths, mops etc where possible
- Purchase products with recycled content where possible
- Seek cruelty free products where no ingredients have been tested on animals verified by Cruelty Free International's Leaping Bunny logo (or equivalent)
- Products must not contain paradichlorobenzene or alkylphenol ethoxylates



Catering

Ethical

- All palm oil (including palm kernel oil and products derived from palm oil) used for cooking and as an ingredient must be sustainably produced.
- Menus shall be designed to reflect the natural growing or production period for the UK.
- All fish, including fish ingredients, are demonstrably sustainable with all wild fish caught meeting the FAO Code of Conduct for Responsible Fisheries.
- At least 50% of tea, coffee and sugar is Fairtrade or equivalent.
- All eggs, including fresh in-shell, liquid and powdered eggs, must be sourced from free range hens.

Nutrition and food safety

- Serve milk, condiments and sauces in re-usable containers where it does not compromise food safety.
- The food should sustain a nutritional balance and inspire good eating habits
- Meals with more vegetarian/ vegan options will have a lower carbon footprint than meat
- "Cold" plates have a lower carbon footprint than "hot" dishes

Disposal, Waste

- Minimise the use of disposable cutlery, plates and cups by incentivising the use of reusable cups/mugs. Therefore provide only recyclable disposable cups.
- Where viable, using glass bottles/jugs, or other reusable containers to provide drinking water as part of hospitality services.
- Reduce the usage of plastic cups, cutlery, single-use water bottles, takeaway packaging and plastic sachets
- Where possible re-check the attendance head count as near as possible to the ordering and/or preparation to limit waste
- Look for caterers who have a strategy to combat food waste such as donate leftover food to charities, such as Plan Zhero's, Olio and City Harvest, or encourage clients and staff to take portions home



Events

- Look for providers who have carbon targets or carbon aware
- Providers have a zero or low waste policy
- Providing fair trade or organic food
- Look for providers who have standard offerings so that items can be reused
- Look to lease large equipment or share equipment with external events on site to encourage reuse of materials/ equipment
- Using sustainable energy to run the event where possible
- Providing local produce/food

Packaging and deliveries

- Follow the waste hierarchy to reduce packaging: avoid > reduce > reuse > recycle
- Use refillable and reusable packaging, or even remove the packaging altogether
- Think about light weighting to reduce the amount of material in the packaging
- Working in collaboration with product and with packaging suppliers to source materials from low carbon processes (e.g., powered by renewable energy) and to determine if the Supplier would "take back" the packaging
- Increase proportion of recycled content used (note that from 2022 taxes will apply for plastic packaging that does not contain at least 30% recycled content)

- Increase end of life recyclability
- Try to order in bulk and store to reduce deliveries
- Utilise cargo bikes and EV delivery vehicles where possible and all vehicles should be fitted with telematics and route planning to continually reduce carbon emissions
- Utilise consolidation canter's to reduce traffic to site; all deliveries to the Guildhall complex should go via CEEVA:

<u>Deliveries to the Guildhall Complex</u> (sharepoint.com)

GUIDANCE FOR OFFICERS



Circular economy and resource disposal

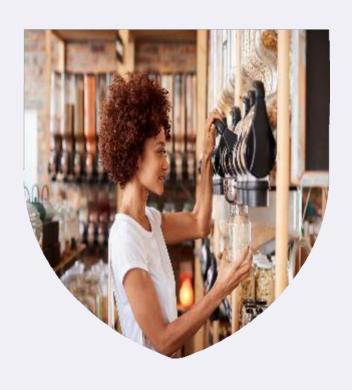
- Applying principles of the waste hierarchy and circular economy within the Supplier's own supply chain to help minimise carbon emissions whilst also cutting cost.
- Please refer to the Material Exchange Platforms (MEPs) by the Supply Chain Sustainability School for a variety of Materials Exchange Platforms across the UK. You may have surplus stock from a recently finished project, or are looking for second hand upcycled furniture; these are some examples of how you might use MEPs:

https://maps.supplychainschool.co.uk/mep/index.html

WarpIt (sharepoint.com)

Data measurement and management

- Preference (where possible) should be given to suppliers which measure their carbon footprint annually.
- Suppliers should keep a record of the waste generated and how this is disposed with an active focus on reducing the overall volume and increasing what can be sent for reuse and recycling.

















- 1. Appendix 1
- Definitions
- 2. Appendix 2
- Procurement checklist
- 3. Appendix 3
- Standards and Certifications for responsible sourcing with a construction bias
- 4. Appendix 4
- NRMM guide





3.1 Appendix 1 - Definitions

Acronym	Definition	Further information
Waste hierarchy	Ranks disposal methods based on least to most harmful to the planet: Reduce > Reuse > Recycle > Energy Recovery > Landfill	https://assets.publishing.service.gov.uk/government/uploads/syste m/uploads/attachment_data/file/69403/pb13530-waste-hierarchy- guidance.pdf
Circular Economy (CE)	An alternative to the linear economy of take-make-dispose, CE looks to minimise waste and pollution by extending the useful life of products and materials. Once at the end of life, the product is used as the raw material to make a new item, reducing the need for new materials.	https://wrap.org.uk/taking-action/climate-change/circular-economy
(Open loop) recycling	Converting waste into a new material to reduce the need for virgin material. Some materials are easier to recycle than others.	https://bettermeetsreality.com/closed-loop-vs-open-loop-recycling-definitions-differences-examples-more/
(Closed loop) Recycling)	A product or material can be turned into something new without degrading. This is better than open loop recycling as materials remain at a higher quality for longer.	https://bettermeetsreality.com/closed-loop-vs-open-loop-recycling-definitions-differences-examples-more/



Acronym	Definition	Further information
Climate change	The long-term alteration of temperature and weather patterns on earth.	https://www.un.org/en/climatechange/what-is-climate-change
Embodied carbon	Embodied carbon is the carbon dioxide (CO ₂) emissions associated with materials and construction processes throughout the whole lifecycle of a building or infrastructure. It includes any CO ₂ created during the manufacturing of building materials (material extraction, transport to manufacturer, manufacturing), the transport of those materials to the job site, and the construction practices used.	https://carbonleadershipforum.org/embodied-carbon-101/
Life Cycle Assessment (LCA)	A method which assesses the environmental impact of each stage of a product's life cycle, for example, creation, use and disposal.	https://ecochain.com/knowledge/life-cycle-assessment-lca-guide/
Whole Life Carbon (WLC)	This looks at the carbon emissions that arise from the construction and use of a building over its entire life. It can be used to show alternative methods of building or building use to improve the sustainability of a building or project.	https://www.london.gov.uk/programmes- strategies/planning/implementing-london-plan/london-plan- guidance/whole-life-cycle-carbon-assessments-guidance



3.2 Appendix 2 - Procurement Checklist: A Procurement Action Plan

Pre Procurement

When undertaking your next procurement activity, what actions do you need to take to help deliver a sustainable outcome? Consider:

	Actions	Internal and external stakeholders engaged	Completed
1	Low carbon solutions and waste management early on.		
2	Market analysis and evaluation – engage the supply chain.		

3 Engagement with internal/external stakeholders for buy-in.



3



Supplier Evaluation and Selection

What low carbon and waste management actions might you think about when undertaking the sourcing process? Consider:

	Actions	Internal and external stakeholders engaged	Completed
1	Quantifiable questions relating to low carbon, waste management solutions are in the SQ and ITT.		
2	The specification includes reference to each of the City Corporation's sustainability focusses e.g. Climate.		
	The specification includes some sustainability specifics over the		

Considerations for suggestions.

goods/service/works being procured, see Specific (Product)

Mobilisation and Contract Management

What steps can you take to embed low carbon and waste management performance within your contract management process? Consider:

	Actions	Internal and external stakeholders engaged	Completed
1	Contract KPIs and clauses for low carbon and waste management live.		
2	Communicated key sustainability promises to contract team and key stakeholders.		
3	Regular check ins of performance measurement of suppliers which is shared with wider team.		
4	Continuous improvement of sustainable deliveries (the new baseline for any subsequent contracts).		



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3.3 Appendix 3 - Standards and certifications for responsible sourcing with a construction bias

BES6001 for Responsible Sourcing

Products being certified to BES6001 standard for responsible sourcing is another way for procurement officers to have confidence in goods being procured, that they are ethically and sustainably sourced.

https://www.greenbooklive.com/filelibrary/responsible sourcing/BES-6001-3.2.pdf

The key objectives of this standard are:

- To promote responsible sourcing of products
- To give clear guidance on the sustainability aspects that should be addressed
- To provide confidence that materials and products are being responsibly sourced

 To provide a route to obtaining credits within the Materials sections of the Home Quality Mark and the BREEAM family of certification schemes (and the Code for Sustainable Homes where relevant).

Eco Reinforcement

In addition to the demand for credible evidence of ethical sourcing behaviour by companies and their suppliers, the importance of transparency within a supply chain is growing. Eco-Reinforcement provides a means for construction clients, specifiers, and contractors to be able to purchase reinforcing steel from a supply chain, which is pro-actively addressing issues of sustainability.

http://www.eco-reinforcement.org/

Aluminium Stewardship Organisation

The ASI Performance and Chain of Custody Standards set requirements for the responsible production, sourcing and stewardship of aluminium. These two standards form the basis of the ASI Certification program. ASI's standards are globally applicable and encompass all stages of the aluminium value chain: primary aluminium production (including bauxite mining, alumina refining and aluminium smelting), semi-fabrication and material conversion processes, recycling, and use in final products.

https://aluminium-stewardship.org/asistandards/overview



3.4 Appendix 4 – NRMM guide

Guide to low emission and alternative power sources and technologies for Non-Road Mobile Machinery (NRMM) in Greater London.

This guide provides advice to anyone looking to hire NRMM, for a variety of reasons, on how these emissions can be reduced, whether be it for small-scale street works, welfare accommodation, street markets or filming. Information is provided by NRMM type alongside information on the different kinds of power sources currently available, supplemented with case studies of existing machinery available. It is intended that this guide is updated as advances and changes to the market occur.

Please refer to the link below for the full document:

Non Road Mobile Machinery (NRMM) - City of London

