

THE DEPARTMENT FOR INTERNATIONAL DEVELOPMENT – SUSTAINABLE PROCUREMENT STRATEGY



All UK government departments, public bodies and agencies are required to achieve certain environmental objectives related to the management of environmental impact from procurement. The Framework for Sustainable Development on the Government Estate states that all departments must have sustainable procurement strategies.

In the Department for International Development (DFID) it applies to procurement of goods and services, including contracted technical assistance to help developing country partners.

MECHANISMS FOR INTEGRATION OF THE ENVIRONMENTAL PURCHASING POLICY WITHIN DFID'S BUSINESS

The policy will be integrated through the following measures:

a. Knowledge Management

- Publication of the strategy and policy on DFID's internal and external websites, and reference to the policy and mandatory nature of sustainable procurement initiatives in central government in DFID's essential guide to rules and tools, the Blue Book, with

electronic hyperlinks to the policy's text.

- Seeking top management leadership, commitment and endorsement of messages that DFID's sustainable procurement targets must be met, and that all staff are required to comply with the Environmental Purchasing Policy.

b. Procurement Management

- Ensuring all procurement staff in DFID's Procurement Group (PrG), Office Services and Security Department (OSSD), and programme managers, project officers and contract staff in HQ locations and overseas offices will be facilitated to learn and understand the contents of the Environmental Purchasing Policy, and be able to apply it appropriately to their duties.
- Inclusion of environmental purchasing training courses conducted by PrG's Training Team. Training should include guidance on sustainable development concepts, lifecycle costing, how performance is monitored under the Framework for Sustainable Development on the Government Estate, how sustainable procurement fits into the EU Public Procurement Directives, use of environmental screening (of programmes greater than £1 million) to help apply the Environmental Purchasing Policy, and how to ensure suppliers meet DFID's requirements.

- Revision of DFID standard goods and services contract documents, to include the environmental procurement policy, and requiring that tenders comply with its contents.
- Ensuring DFID's procurement agents introduce the Environmental Purchasing Policy into the contract documents under which they purchase goods on behalf of DFID.
- Development of environmental procurement criteria as appropriate to evaluate competitive tenders for goods against the principles of whole-life costing and environmentally responsible supply chains.
- Use of Gateway Review processes in respect of DFID's proposed investments for assessment of sustainable considerations, including procurement processes, once guidance is received from the Office of Government Commerce.

ENVIRONMENTAL RISK ASSESSMENTS

Environmental screening of DFID programmes

DFID policy requires environmental screening of all proposed programme investments over £1 million to identify and address potential environmental risks. The screening process should take account of the Environmental Purchasing Policy and help identify how environmental issues might be addressed through procurement.

Environment screening should consider whether programme funds will be used to procure goods or services (including contracted technical assistance for partner governments) and whether there are potential environmental implications, and recommend how these should be addressed.

In principle, environmental risks should be considered at each stage of the procurement cycle. In practice, DFID mainly purchases services for developing country partners, and suppliers' advice to partners should be consistent with the Government's sustainable development strategies and, where applicable, DFID's Environmental Purchasing Policy. DFID's procurement cycle should make proportionate use of environmental assessment tools. DFID will, where appropriate, require suppliers of goods and services to provide quality assurance related to adherence to the UK Sustainable Development Strategy.

PROCUREMENT FOR DFID'S OWN USE

DFID's purchase of goods and equipment for its own use, and construction and renovation activity in respect of DFID's share of the Government Estate, should be fully subject to environmental risk management and, as far as possible, follow the requirements set out in paragraphs 11-13 of the Environmental Purchasing Policy. In practice, all large-scale procurements undertaken by DFID's procurement agents will be subject to assessment against the criteria set out in paragraphs 11-13.

Procurements by OSSD for the Government Estate should also be subject to these criteria. Direct procurement of goods and services by DFID's overseas offices will set out these criteria and urge suppliers to meet these. However, it is recognised that suppliers of certain services and goods in some regions will not yet be able to meet these criteria, or be able to demonstrate that they do so.

In such circumstances, overseas offices should assess the risk of proceeding with alternative options before taking appropriate action. To facilitate sustainable procurement and minimise risks, purchasers of goods will be encouraged to seek information about sustainable options and investigate supply chains, and seek innovation from suppliers, focusing specifically on areas of the highest environmental impact and highest probability of occurrence.

PrG will work with DFID's procurement agents to convert paragraphs 11-13 of the Environmental Purchasing Policy into a scoring system checklist.

MECHANISMS TO DEVELOP

ENVIRONMENTAL SUPPLY CHAIN PROGRAMMES

Environmental screening during planning identifies specific environmental issues and actions for programme implementation. This will include action that should be taken during procurement processes. Bidders will be required to explain within their proposals and tenders how their methodologies address potential environmental implications of their work.

It has been noted above that DFID's higher-value goods procurement is undertaken by procurement agents. PrG will work with them to develop environmental supply chain management programmes. Adherence to these, including cradle to reuse concepts, will form a significant component of tender evaluation.

Direct procurements by DFID will usually be of lower value, but the DFID should require assurances whenever appropriate that suppliers are operating environmental supply chain programmes. DFID should reserve its rights to audit the processes.

SYSTEMS TO TAKE ACCOUNT OF GOVERNMENT-WIDE INITIATIVES AND GUIDANCE

DFID's Policy Division, Environment for Sustainable Development team (ESD) is responsible for coordination with the Department for Environment, Food and Rural Affairs (Defra) and international partners to ensure that development interests are fully reflected in international sustainable development initiatives, specifically monitoring progress towards MDG7: ensuring environmental sustainability, and working with the EU to develop sustainable development strategies.

DFID is a member of the Sustainable Procurement Taskforce, coordinated by Defra. DFID also interacts closely with the Office of Government Commerce. PrG leads these linkages in coordination with OSSD. DFID OSSD and Policy Division also participate in the interdepartmental Sustainable Operations Working Group, Sustainable Development Policy Working Group, and the senior-level Sustainable Development Programme Board, which are relevant to sustainable procurement, as well as a main focus on operations and programmes. These links should ensure DFID's procurement policies and procedures comply with UK and EU-wide legislation, provide opportunities to share and absorb good practice in sustainable procurement, monitor and report as appropriate, and contribute to government-wide debate and policy development on sustainable procurement.

DFID's Policy Division, Sustainable Development Group (SDG) coordinates with Defra on environmental issues related to DFID programmes. This includes liaison on the international dimensions of the UK Sustainable Development Strategy.

DFID has set up an internal Sustainable Procurement Working Group, with representation from PrG, PD, and OSSD. This Group will manage DFID's response to government-wide initiatives and be responsible for appropriate advice to top management.

MECHANISMS FOR MEASURING AND REPORTING PROGRESS

DFID is committed to collecting, monitoring, evaluating and reporting data to Defra for use in the *Sustainable Development in Government* (SDiG) report. DFID analysis will take full account of its purchasers', agents' and programme managers' experiences of using the Environmental Purchasing Policy, eg which areas created most challenges re implementation, which products were difficult to source sustainably, progress of developing country suppliers towards environmental supply chain management programmes, and so on.

DFID's Working Group will be responsible for reporting progress to Defra and DFID's Management Board. PrG will be responsible for ensuring its contract documents are updated as necessary to reflect experience of sustainable procurement and new priorities.

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The PASS consultancy's mission is to help you deliver the best in government procurement through:

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- Innovative approaches to knowledge transfer within government
- Joined-up government
- Improved performance indicators
- Strategic direction and performance
- Opportunities offered by e-government
- Capacity to deliver change to meet identified needs
- Continuous improvement of services and challenging poor performance
- Sustainable development within decision-making processes and delivery of services
- EU-compliant processes
- Best practice procurement training

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Our consultants can provide you with bespoke training packages to suit your needs. Consultancy and training is available for the following: environmental purchasing, partnering, evaluation, e-government, supplier debriefing, UK legal processes and precedents, contract management, EU-compliant tendering and much more.

PASS ONLINE GUIDANCE

The PASS service provides online guidances on all aspects of the public procurement process and legal requirements: www.bipsolutions.com/html/briefing.php

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Contractual and procurement-related disputes are time-consuming, expensive and unpleasant. They can destroy client/contractor relationships, can add substantially to the cost of the contract, and can nullify some or all of its benefits or advantages. They can also have an impact on value for money. It is therefore in everyone's interest to work at avoiding disputes in the first place. Inevitably, however, disputes do occur and when they do the importance of a fast, efficient and cost-effective Alternative Dispute Resolution (ADR) procedure cannot be overstated. If a dispute arises, it is important to manage it actively and positively and at the right level in order to encourage early and effective settlement. Unnecessary delays and inefficiency can lead to rapid deterioration in relations and entrenchment of opinions. ADR through PADRE mediation involves the use of a trusted expert third party and is an effective alternative to litigation. PADRE mediation is provided by experts in contracting and public procurement. If you would like more details on how PADRE can help your organisation and become your mediation service of choice, telephone the PASS team on **0845 270 7055** or email pass@bipsolutions.com.

PASS HEALTH CHECK

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The *PASS Mark Health Check* is a process-based evaluation technique that helps identify how your company can develop more effective processes when tendering for public sector contracts.

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