



London Ambulance Service **NHS**
NHS Trust

Sustainable Procurement Policy

DOCUMENT PROFILE and CONTROL.

Purpose of the document: To define the LAS approach to Sustainable Procurement.

Sponsor Department: Procurement

Author/Reviewer: Procurement Department. To be reviewed by May 2019.

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	Sustainable Procurement Strategy	V3 Final

1. Introduction

- 1.1. The London Ambulance Service NHS Trust is committed to achieving value for money and delivering environmental, social and economic benefits through its procurement of goods and services for the Trust. We recognise that the Procurement of goods, services and works has a significant impact on the environment, society and the economy.
- 1.2. The Procurement Department is committed to the Governments Sustainable Procurement National Action Plan 'Procuring for the Future' 2006 and its goals and targets.
- 1.3. The Procurement department will review its progress towards sustainable procurement through the DeFRA Flexible Framework. One of the targets of this is for the LAS to have a Sustainable Procurement Policy. It is for this reason that the policy has been developed.

2. Scope

- 2.1. The role of sustainable procurement is to eliminate and mitigate risks of potential adverse impacts and to identify and unlock opportunities for financial and other benefits. The accompanying strategy outlines how the Procurement Department aims to achieve this.
- 2.2. Our aim is to consider all aspects of Corporate Social Responsibility (CSR) during the procurement process.

3. Objectives

- 3.1. The Sustainable Procurement Policy aims and objectives are:
 - 3.1.1. Increase awareness of sustainable procurement principles within each departmental spend category
 - 3.1.2. Promote the Sustainable Procurement Policy, strategy, aims and objectives to key internal stakeholders
 - 3.1.3. Embed good practice in sustainable procurement in day to day working and as part of the procurement process. Consider the whole life cycle impacts of the procurement
 - 3.1.4. Undertake sustainability risk/impact assessments of products and services and their supply chains and prioritise
 - 3.1.5. Ensuring that environmental, social and economic impacts are appropriately considered in the assessment of value for money when setting up contracts or framework agreements

- 3.1.6. Managing tendering and strategies that ensure fair access to contracting opportunities for businesses of all sizes and types
- 3.1.7. Collaborating with other Ambulance Trusts and other organisations to improve knowledge and understanding of sustainable procurement and to seek shared opportunities and benefits.

4. Responsibilities

4.1. The Head of Procurement shall:

- 4.1.1. Be responsible for ensuring that Sustainable Procurement is considered at all times
- 4.1.2. Assess our performance against the Department for Environment, Food and Rural Affairs (DEFRA) Flexible Framework (See Appendix 1)
- 4.1.3. Comply with the principles of the Modern Slavery Act 2015
- 4.1.4. Ensure Equality and Inclusion is considered in all contracts
- 4.1.5. Introduce Environmental considerations within the tendering process

5. Definitions

5.1. Key Definitions:

- 5.1.1. Sustainable Procurement is defined as ‘a process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis. This means generating benefits not only to the organisation, but also to society and the economy, whilst minimising damage to the environment’ – Sustainable Procurement Task Force

6. Key Principles of Sustainable Procurement

6.1. The three key principles of Sustainable procurement are:



- 6.1.1. **Environmental Considerations** – Seeking to minimise any negative environmental impacts of goods and services purchased across their life cycle.
- 6.1.2. **Social Considerations** – Managing and monitoring the contract award process to ensure fair contract prices and terms are applied and that ethical, human rights and employment standards are met.
- 6.1.3. **Economic Considerations** – Ensuring value for money contracts and that all businesses regardless of size have a fair opportunity to win contracts.

7. The Policy

- 7.1. In order to achieve the objectives, consideration will be given to the following for all procurements:
- 7.1.1. **Specifications** - allow the markets to respond with innovative sustainable solutions.
- 7.1.2. **Life-Cycle Costing** - assessment of the sustainability impact over the life-cycle of key categories
- 7.1.3. **Collaboration** - work with other organisations and consortiums in achieving value for money through collaborative working
- 7.1.4. **Prioritisation and Risk Management tools** - each spend category will be assessed using Sustainable Procurement Prioritisation and Risk Management Tools
- 7.1.5. **Supply Chain** – ensure high risk suppliers are compliant with their legal and ethical responsibilities
- 7.1.6. **Contract Management** – Sustainability will be included in all contract meetings and KPI's where appropriate

- 7.1.7. **Communication** – engage with both internal and external stakeholders to promote best practice
- 7.1.8. **The Public Services (Social Value) Act 2012 and Ethical Trading Initiative (ETI)** – ensuring that our suppliers meet the requirements of both elements
- 7.1.9. **Modern Slavery Act 2015** - commit to ensuring that our supply chain is free from slavery
- 7.1.10. **Equality and Inclusion** – ensure our supply base commit to the departments Equality and Inclusion policy
- 7.1.11. **SMEs** – open up tender opportunities to all size businesses wherever possible
- 7.1.12. **Environmental Considerations** – seek to minimize any negative impacts to the environment through the goods and services we procure
- 7.1.13. **P4CR – Procurement for Carbon Reduction** - Procurement will consider the carbon footprint of all products and services procured

IMPLEMENTATION PLAN				
Intended Audience	All Procurement staff and those responsible for supplier/goods and services selection			
Dissemination	Available to all staff on the Pulse and to the public on the LAS website			
Communications	Policy and accompanying strategy to be published on the Procurement page on the Pulse and on the external website			
Training	Sustainable Procurement training for all key staff to be provided via an online portal			
Monitoring:				
Aspect to be monitored	Frequency of monitoring AND Tool used	Individual/ team responsible for carrying out monitoring AND Committee/ group where results are reported	Committee/ group responsible for monitoring outcomes/ recommendations	How learning will take place
Staff training	All key staff to undergo Sustainable Procurement training. This is one off training and reviewed on an annual basis	Monitored via the Deputy Head of Procurement on an annual basis. This feeds into the Procurement Department Strategy. ELT will be responsible for monitoring the progress.	Deputy Head of Procurement	Any issues will be fed back from ELT should they feel there are further training requirements or amendments needed.
Sustainable Procurement KPI's	All KPI's are aligned to the Procurement Department Strategy 2016-2019 and monitored annually	Monitored via the Deputy Head of Procurement	Director Of Finance and Performance	The Deputy Head of Department will feedback any concerns with progress and any further needs.

Appendix 1 – DEFRA Flexible Framework

	Foundation – Level 1	1 Embed – Level 2	Practice – Level 3	Enhance – Level 4	Lead – Level 5
People	Sustainable Procurement champion identified. Key procurement staff have received basic training in Sustainable Procurement principles. Sustainable Procurement is included as part of a key employee induction programme.	All procurement staff have received basic training in sustainable procurement principles. Key staff have received advanced training on sustainable procurement principles.	Targeted refresher training on latest Sustainable Procurement principles. Performance objectives and appraisal include Sustainable Procurement factors. Simple incentive programme in place.	Sustainable Procurement included in competencies and selection criteria. Sustainable Procurement is included as part of employee induction programme.	Achievements are publicised and used to attract procurement professionals. Internal and external awards are received for achievements. Focus is on benefits achieved. Good practice shared with other organisations.
Policy, Strategy and Communications	Agree overarching Sustainability objectives for procurement. Simple Sustainable Procurement policy in place endorsed by CEO. Communicate to staff and key suppliers.	Review and enhance sustainable procurement policy, in particular consider supplier engagement. Ensure it is part of a wider Sustainable Development strategy. Communicate to staff, suppliers and key stakeholders.	Augment the Sustainable Procurement policy into a strategy covering risk, process integration, marketing, supplier engagement, measurement and a review process. Strategy endorsed by CEO.	Review and enhance the Sustainable Procurement strategy, in particular recognising the potential of new technologies. Try to link strategy to EMS and include in overall corporate strategy.	Strategy is: reviewed regularly, externally scrutinised and directly linked to organisations' EMS. The Sustainable Procurement strategy recognised by political leaders, is communicated widely. A detailed review is undertaken to determine future priorities and a new strategy is produced beyond this framework.
Procurement Process	Expenditure analysis undertaken and key Sustainability impacts identified. Key contracts start to include general Sustainability criteria. Contracts awarded on the basis of value for money, not lowest price. Procurers adopt Government Buying Standards.	Detailed expenditure analysis undertaken, key Sustainability risks assessed and used for prioritisation. Sustainability is considered at an early stage in the procurement process of most contracts. Whole-life Costing analysis adopted.	All contracts are assessed for general Sustainability risks and management actions identified. Risks managed throughout all stages of the procurement process. Targets to improve Sustainability are agreed with key suppliers.	Detailed Sustainability risks assessed for high impact contracts. Project/contract Sustainability governance is in place. A life-cycle approach to cost/impact assessment is applied.	Life-cycle analysis has been undertaken for key commodity areas. Sustainability Key Performance Indicators agreed with key suppliers. Progress is rewarded or penalised based on performance relevant to the contract. Barriers to Sustainable Procurement have been removed. Best practice shared with other organisations.
Engaging Suppliers	Key supplier spend analysis undertaken and high sustainability impact suppliers identified. Key suppliers targeted for engagement and views on procurement policy sought.	Detailed supplier spend analysis undertaken. General programme of supplier engagement initiated, with senior manager involvement.	Targeted supplier engagement programme in place, promoting continual Sustainability improvement. Two way communication between procurer and supplier exists with incentives. Supply chains for key spend areas have been mapped.	Key suppliers targeted for intensive development. Sustainability audits and supply chain improvement programmes in place. Achievements are formally recorded. CEO involved in the supplier engagement programme.	Suppliers recognised as essential to delivery of organisations' sustainable procurement strategy. CEO engages with suppliers. Best practice shared with other/peer organisations. Suppliers recognise they must continually improve their Sustainability profile to keep the client's business.
Measurements and Results	Key Sustainability impacts of procurement activity have been identified. Simple measures based on achieving all aspects of the Foundation level of the flexible framework are put in place and delivered.	Detailed appraisal of the Sustainability impacts of the procurement activity has been undertaken. Measures implemented to manage the identified high risk impact areas. Simple measures based on achieving all aspects of the Embedding level of the flexible framework are put in place and delivered.	Sustainability measures refined from general departmental measures to include individual procurers and are linked to development objectives. Simple measures based on achieving all aspects of the Practising level of the flexible framework are put in place and delivered.	Measures are integrated into a balanced score card approach reflecting both input and output. Comparison is made with peer organisations. Benefit statements have been produced. Simple measures based on achieving all aspects of the Enhancing level of the flexible framework are put in place and delivered.	Measures used to drive organisational sustainable development strategy direction. Progress formally benchmarked with peer organisations. Benefits from Sustainable Procurement are clearly evidenced. Independent audit reports available in the public domain. Simple measures based on achieving all aspects of the Leading level of the flexible framework are put in place and delivered.