	Council Agenda Item 32 **Appendix 3**
CABINET	**Agenda Item 50** Brighton & Hove City Council

Subject:		**Executive Response to Environmental Industries Scrutiny Report**
Date of Meeting:		**22 July 2010**
Report of:		**Director of Finance & Resources**
Contact Officer:	**Name:**	**Claire Jones** **Tel: 291408**
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Key Decision:	**No**	
Wards Affected:	**All**	

FOR GENERAL RELEASE

1. SUMMARY AND POLICY CONTEXT:

1.1 The Environmental Industries Ad Hoc Panel Scrutiny Report completed in October 2009, made a series of recommendations about how the council could support Environmental Industries. The majority of these were put to the Executive Member for Enterprise, Employment and Major Projects and received a response in January of this year. The following recommendation was made in relation to procurement:

"The Panel recommends the council uses its procurement policy to promote the growth and development of environmental industries and to encourage innovative and environmentally conscious companies to tender for work"

This report sets out the executive response to this recommendation.

2. RECOMMENDATION:

2.1 That Cabinet notes the response to the Environmental Industries Scrutiny Report

3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:

3.1 The procurement function supports the objective of encouraging innovative and environmentally conscious companies to tender for work. However all public sector procurement above certain thresholds (£156K for supplies and services and £3.9 Million for construction) is bound by the EU Procurement Directives. The directives are specific about what is and what isn't allowed in relation to sustainability issues and therefore care is taken to ensure that the directives are followed whilst supporting the council's objectives.

3.2 Throughout the procurement lifecycle environmental objectives are supported by:

- Pre tender risk appraisals for major contracts. This is a process used prior to commencing procurement to draw out any relevant issues. Sustainability and the potential opportunities to incorporate associated objectives are considered in a discreet section. This will lead to the development of a procurement strategy that will best suit the particular project.

- All suppliers completing pre qualification questionnaires are asked a set of sustainability questions (please see appendix 1) as standard. Where environmental considerations are material to the delivery of the contract additional questions are asked and evaluated.

- Contract officers develop specifications to incorporate relevant environmental considerations e.g. recycled content, numbers of deliveries etc

- All suppliers completing Invitation to Tender documents are requested to respond to the following question as standard:

  Tenderers should provide in no more than 1000 words details of how their sustainable practices will be brought into the day-to-day management and delivery of the contract and the benefits this will bring.

  Where environmental considerations are material to the delivery of the contract additional questions are asked and evaluated

- During the evaluation of tenders Whole life Costing is used where appropriate. This is a method of looking at the costs associated throughout the life of the product or service. an example could be where energy costs, spares and disposal of a product are considered.

- Large scale construction projects are procured in line with BREEAM (Building Research Establishment and Environmental Assessment Method) this covers the whole life of the building including design, construction and use. Additionally it is compulsory for contractors to produce a site waste management plan to increase the recycling of materials and the reduction of landfill.

Sharing Best Practice

3.3 To ensure that contract officers understand the principles of sustainable procurement and its importance an e-learning module has been developed and is available on Surf2Learn.

3.4 Further guidance on environmental issues in procurement is also provided via a Sustainability Code of Practice available on the council's Intranet.

3.5 Staff from Corporate Procurement and Property & Design are regularly updated on environmental best practice and provide advice to contract officers on its application throughout the procurement process.

4. CONSULTATION

4.1 The Assistant Director of Property and Design, and the Procurement Strategy Manager have been consulted over the contents of this report.

5. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

5.1 Environmental issues and sustainability form part of the quality weighting in tender evaluation. For each contract he weighting for each element of the tender will be agreed and set out in the tender documents. The tender that demonstrates the greatest value for money will score the highest marks as part of the financial evaluation. Financial implications are assessed for individual contracts.

Finance Officer Consulted: *Alasdair Ridley* *Date: 23/06/10*

Legal Implications:

5.2 All Council procurement is subject to the Council's contract standing orders and to the EC Treaty principles of transparency, fairness and non-discrimination. In addition where relevant thresholds are exceeded (as stated in paragraph 3.1 above) procurement procedures must comply with the Public Contracts Regulations 2006.

Lawyer Consulted: *Sonia Likhari* *Date: 23/06/10*

Equalities Implications:

5.3 There are no direct equalities implications in this report

Sustainability Implications:

5.4 Encouraging environmental industries to tender for council contracts will mitigate the risk of the council supporting a supply chain with poor environmental practices. Additionally it will encourage the wider business community to adopt these practices so that they are more likely to be successful when tendering.

Crime & Disorder Implications:

5.5 There are no direct crime and disorder implications in this report

Risk & Opportunity Management Implications:

5.6 Encouraging environmental industries to tender for council contracts will mitigate the risk of the council supporting a supply chain with poor environmental practices. Additionally it will encourage the wider business community to adopt these practices so that they are more likely to be successful when tendering.

Corporate / Citywide Implications:

5.7 The encouragement of environmentally sustainable industries will ensure that the impact of council contracts on the local environment is minimised whilst promoting good environmental practices amongst the local business economy.

6. EVALUATION OF ANY ALTERNATIVE OPTION(S):

6.1 N/A

7. REASONS FOR REPORT RECOMMENDATIONS

7.1 The report is an executive response to Environmental Industries Scrutiny Report

SUPPORTING DOCUMENTATION

Appendices:

1. Mandatory questions in the council's standard Pre Qualification Questionnaire

Documents in Members' Rooms

None

Background Documents

1. The report of the Culture, Tourism and Enterprise Overview and Scrutiny Committee Ad Hoc Panel - ENVIRONMENTAL INDUSTRIES INQUIRY

2. Sustainability Code of Practice