

**Caledonian Maritime Assets Ltd (CMAL)**

**2017 -2018**

**Sustainable Procurement Policy**



**CMAL**

Caledonian Maritime Assets Ltd  
Stòras Mara Cailleannach Eta



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# Caledonian Maritime Assets Ltd (CMAL) – Sustainable Procurement Policy

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## Sustainable Procurement Policy

### 1. Purpose

The purpose of this Policy is to outline those areas where best practice for Sustainable Procurement will be pursued. These guidelines promote best practice to meet legal and financial obligations and to achieve wider economic, social and environmental benefits.

CMAL will endeavour to identify more sustainable ways of meeting requirements and when designing specifications will always consider a) sustainable options, such as social, economic and environmental implications of product and service choices embracing a more sustainable approach through whole life costing, design, manufacturing materials, operating costs, energy consumption, waste and recycling options b) equal opportunities through promoting diversity together with fair and ethical trading and c) economic issues such as opportunities for small and medium sized enterprises and Third Sector organisations to successfully compete for public contracts.

The Scottish Government Sustainable Action Plan defines sustainable procurement 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 and generates benefits not only to the organisation, but also to society, the economy and the environment**’.

The Action Plan has 10 steps outlined below. CMAL will endeavour to implement all steps and where possible exceed the guidance provided within the Procurement Journey, the Scottish Government Sustainable Action Plan and relevant legislation.

#### 1.1. Commitment within the Organisation

The Senior Management Champion (Finance Director Temporary) will oversee delivery of actions to achieve sustainability objectives. These will amount to taking advantage of collaborative agreements wherever possible, embedding whole life costing into all appropriate tender processes, highlighting energy efficiency options and ensuring the optimum clean fuel option is pursued in the acquisition of all vessels.

## **1.2. Making the Commitment Public**

This Policy and all actions flowing from it will be displayed on the CMAL website. Suppliers will be required, where appropriate, to outline sustainable options in keeping with this policy when responding to quotation and tender opportunities.

## **1.3. Organisational Buy-in**

CMAL is committed where possible to specifying goods, services and works that promote sustainable options. This will be included in training and specification awareness by the CMAL Procurement Manager and will be included as appropriate in specifications for all quotation and tender activities.

## **1.4. Benchmarking and Progression**

CMAL will strive to meet the appropriate level of the Flexible Framework at Appendix 1 below, suitable for the levels of activity undertaken throughout each year. Assessment against the Flexible Framework will be performed annually and areas identified for improvement.

## **1.5. Prioritising**

CMAL will incorporate this Policy into local priorities and requirements so that quotation and tender opportunities include sustainable objectives wherever possible, embedding whole life costing into all appropriate tender processes.

## **1.6. Specifying Sustainability**

CMAL will, whenever possible, apply sustainability requirements to all specifications to take account of: a) testing whether requirements can be reduced or avoided altogether by delivering the outcome in some other way b) the need for cost-effective requirements taking account of whole life costs including purchase, installation, running costs including energy costs and disposal costs c) ensuring requirements take account of social, economic and environmental issues where appropriate. Where relevant and proportionate, CMAL will include community benefits and social clauses, BREEAM 'excellent' standard for building construction or refurbishment, WRAP 'Construction Commitment' with the aim of halving construction, demolition and excavation waste to landfill.

## **1.7. Sustainability in the Procurement Policy**

Where appropriate CMAL will specify at quotation or tender stage sustainable requirements and will add social, economic and environmental factors to be considered as part of tender evaluation/contract award criteria where they are related directly to the delivery of the goods or services which are the subject of the particular contract in question and where tender documents make clear that this will be part of the evaluation process.

## **1.8. Working with Suppliers**

CMAL publishes all quotation and tender activity via the Public Contracts Scotland portal. All quotations and tenders will clearly explain any sustainability requirements and they will be fully disclosed at the time of advert.

## **1.9. Measuring Performance**

Progress under this Policy and the Flexible Framework will be measured annually and against Best Practice Indicators and the Procurement Capability Assessment.

#### **1.10. Publicising Successes**

CMAL will publicise successes against this Policy in the on-line CMAL Newsletter.

## 2. Flexible Framework

The Flexible Framework was produced by the UK Sustainable Procurement Task Force and is a useful and easy means of self-assessing an organisation's performance on sustainable procurement. It will help organisations to prioritise the areas for improvement. Organisations should build the various stages and areas for improvement into their corporate aims and objectives.

	Foundation Level 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 & Communications	Agree overarching sustainability objectives. 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	Augment the sustainable procurement policy into a strategy covering risk, process integration, marketing, supplier engagement, measurement and a review process. Strategy	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

		to staff, suppliers and key stakeholders.	endorsed by CEO.		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 Quick Wins.	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-cost 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. 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	Detailed supplier spend analysis undertaken. General programme of supplier	Targeted supplier engagement programme in place, promoting continual sustainability	Key suppliers targeted for intensive development. Sustainability audits and supply chain improvement	Suppliers recognised as essential to delivery of organisations' sustainable procurement strategy. CEO

	identified. Key suppliers targeted for engagement and views on procurement policy sought.	engagement initiated, with senior manager involvement.	improvement. Two way communication between procurer and supplier exists with incentives. Supply chains for key spend areas have been mapped.	programmes in place. Achievements are formally recorded. CEO involved in the supplier engagement programme.	engages with suppliers. Best practice shared with other/peer organisations. Suppliers recognise they must continually improve their sustainability profile to keep the clients business.
Measurements & Results	Key sustainability impacts of procurement activity have been identified.	Detailed appraisal of the sustainability impacts of the procurement activity has been undertaken. Measures implemented to manage the identified high risk impact areas.	Sustainability measures refined from general departmental measures to include individual procurers and are linked to development objectives.	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.	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.

**Chief Executive Officer** \_\_\_\_\_ **date** \_\_\_\_\_