

Addressing climate change through procurement practices

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Introduction

The Scottish Public Sector is required to support and contribute to Climate Change targets in compliance with the “Sustainable Procurement Duty” Procurement Reform (Scotland) Act 2014



Introduction (cont'd)

Scottish public sector are required to:-

- Set out how we will use public procurement to help address the climate emergency – this is set out within annual procurement strategies;
- Report progress in annual procurement report;
- Report contribution to compliance with climate change duties



Scale of the challenge

Net Zero Targets

2045 – net zero emissions

Climate Change (Emissions Reduction Targets) (Scotland) Act 2019.

Procurement Regulations

Sustainable Procurement Duty

Procurement Reform (Scotland) Act 2014

Public Contracts (Scotland) Regulations 2015

Procurement (Scotland) Regulations 2016

Ensuring a 'just transition'

Climate Emergency Skills Action Plan

Government Investment – e.g. energy, built environment and transport

Energy efficient built environment etc

Complexity of Supply Chains

Opaqueness on origins; manufacturing and materials

Multi-tiered and complex logistics

Scale of the challenge

Market/supplier maturity

Potential low maturity = high emissions?

If my competitors aren't doing anything – why should I?

Lack of understanding/education

Data and Information

Scope 3 emissions?

Information/data overload

If data is available – what do we do with it? what does it mean?

Budgets and Costs

Ever decreasing budgets

Low/net zero alternatives often expensive

Scale of the opportunity?

- Scottish public sector overall spend is annually up to circa £16bn (including cap ex projects)
- The Scottish Government procurement: annual report 2021 to 2022- collaborative frameworks spend was over £1.5 billion.
- Clearly the Scottish Public Sector spends significant amounts of £££££ = significant opportunity to shape what and how we buy?



Achieving Net Zero

Tendering + Collaboration – Redesigning of procurements?

Reshaping frameworks and contracts help ‘unlock’ carbon reduction

Collaboration saves time and individual effort/design – also reduces duplication

Examples – Energy Efficiency; Fleet; Construction

Low Carbon alternatives and Innovation

Frameworks and contracts can be shaped to include or stipulate low carbon products/innovation

Effective procurement can help build a supplier culture for low carbon products and practices

Case studies + sharing best practice/Buyer guidance

case studies of good practice/effective outcomes builds trust and confidence

Training and Education

Builds a 2 way education process between suppliers and procurement contracting

Achieving Net Zero

Whole Life Costing

Can help in building a business case – comparisons on investment

Can help to open up new net zero opportunities

Environmental Impacts

Effective contracting with proper governance can evaluate impacts and help limit emissions

Gives legitimacy to supply chain good practice

Circular Economy

Can build in opportunity for Remanufacturing, Re-Use; Recycling etc

Specifications can be robust and ensure effective end of life controls – waste streams etc

Using SPD 4c7

Using SPD question 4c7 effectively on Suppliers climate capability

Using the available tools

Scottish Government Sustainable procurement tools should be used in contracting

Value Added

Work collaboratively with key suppliers on carbon reduction and initiatives

Measure KPI's and data (carbon)

Key contract and Supplier Management

Work collaboratively with customers – educate and inform

Manage supply chains more effectively

Segmentation + focus on 'carbon hotspots'

Buyer Support Tools

Scottish Government provide a number of procurement tools to support the procurement community [Sustainable Procurement \(sustainableprocurementtools.scot\)](https://www.sustainableprocurementtools.scot)

- Flexible framework assessment tool
- Prioritisation tool
- Life cycle impact mapping
- Sustainability test
- Climate Literacy e-Learning



Thank you

Any questions ?