



**Addressing Carbon in the  
Supply Chain  
APSE Conference**

Steve Robinson  
12<sup>th</sup> July 2023



# Ardal procurement service



Ardal is a new procurement service established by Cardiff Council to deliver the shared service for our collaborative procurement partnership with Monmouthshire County Council, Torfaen County Borough Council and the Vale of Glamorgan Council.

With a combined annual spend of over £1 billion, our aim is to deliver socially responsible procurement for all of our partners through shared resources, knowledge, and expertise.



Ardal is also the new home for our successful regional procurement frameworks.



Ardal (Welsh definition *area, district*) chosen to reflect the regional focus of the partnership and our collaborative frameworks



# Socially Responsible Procurement Strategy



CONTRIBUTING TO THE COUNCIL'S AIM TO BE A CARBON-NEUTRAL COUNCIL BY 2030



MAKING PROCUREMENT SPEND MORE ACCESSIBLE TO LOCAL SMALL BUSINESSES AND THIRD SECTOR



IMPROVING FAIR WORK PRACTICES ADOPTED BY SUPPLIERS



INCREASING COMMUNITY BENEFITS AND SOCIAL VALUE DELIVERED BY SUPPLIERS



SECURING VALUE FOR MONEY AND MANAGING DEMAND



ENSURING LEGAL COMPLIANCE AND ROBUST AND TRANSPARENT GOVERNANCE



PROMOTING INNOVATIVE AND BEST PRACTICE SOLUTIONS



- Education and Learning initiative to embed procurement priorities
- Five key messages to staff aligned to procurement cycle



## CHALLENGE WHAT YOU ARE BUYING

Before starting any procurement process, you must challenge what you are buying and whether you even need to buy it.



## CONSIDER THE WELLBEING IMPACT

You need to consider the environmental, social, economic and cultural impact of what you buy and how it is delivered



## USE IN-HOUSE OR EXISTING CONTRACTS

You need to check the Supply Directory to see if there is any in-house provision or an existing contractual arrangement



## BE OPEN, FAIR & TRANSPARENT

You need to ensure suppliers are treated fairly and we are open and transparent about any contracts we award – including those awarded without competition



## MANAGE CONTRACT DELIVERY

You need to ensure that the contract is proactively managed and that both the Council and its suppliers understand their obligations.

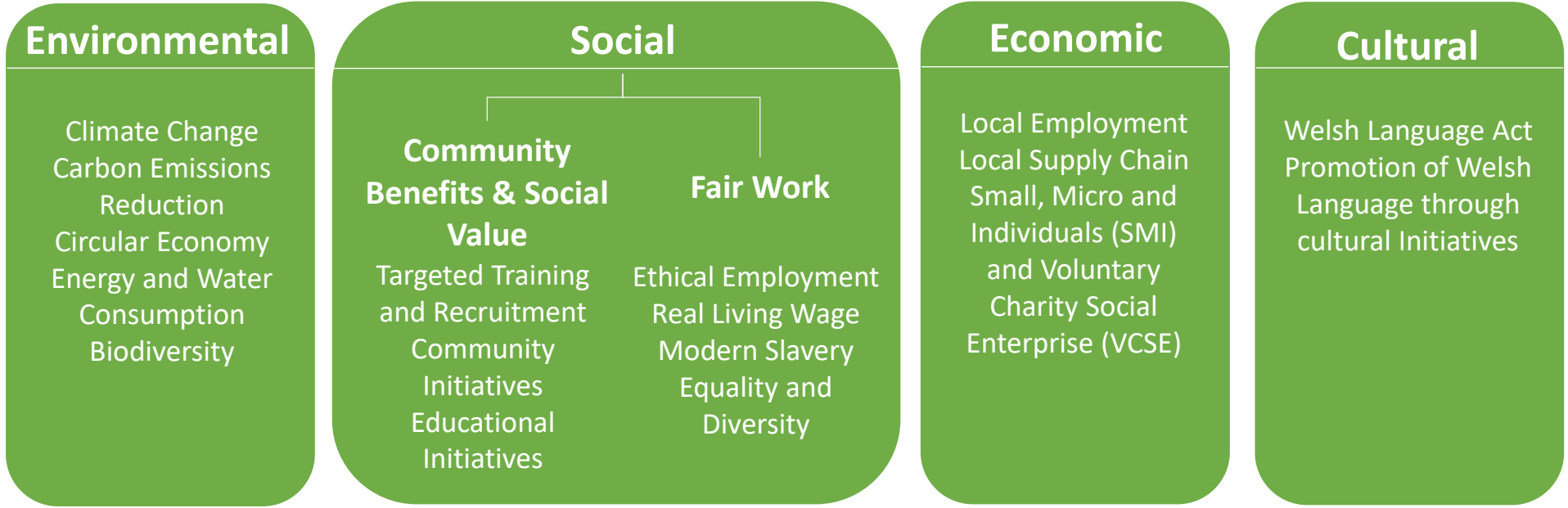
# Socially Responsible Procurement Policy



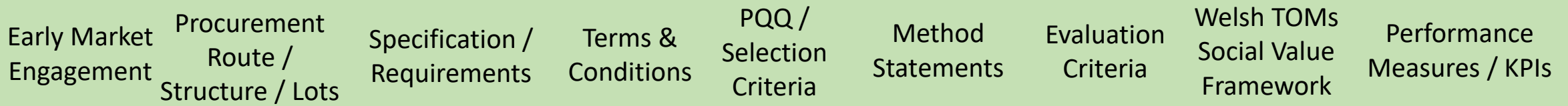
## CONSIDER THE WELLBEING IMPACT

You need to consider the environmental, social, economic and cultural impact of what you buy and how it is delivered

WHAT



HOW



# Contributing to the Council's aim to be a carbon-neutral Council by 2030

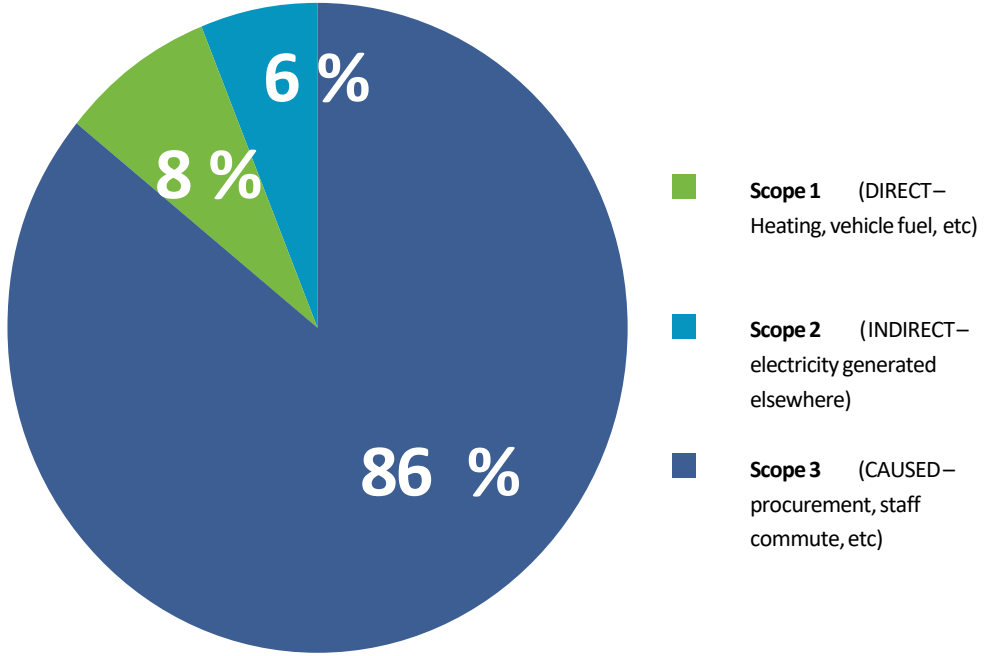
184,904 ( tonnes CO2 Scope 1,2 and 3)



Understanding the **carbon footprint** of the Council's purchased goods, services and works to ensure our carbon reduction **activity is targeted** where it can have the biggest impact.

Working with our elected members, staff, partners and contractors to ensure that carbon reduction is **fully embedded** in our decision-making processes throughout the **procurement cycle** and low carbon solutions are implemented where appropriate.

**Collaborating with, and learning from** organisations across the public, private and third sector to encourage and accelerate the transition to low carbon solutions.



Scope 1	Scope 2	Scope 3
Fuel combustion Company vehicles Fugitive emissions	Purchased electricity, heat and steam	<b>*Purchased goods and services*</b> Business travel Employee commuting Waste disposal Use of sold products Transportation and distribution (up- and downstream) Investments Leased assets and franchises

## Tier 3: Supplier specific data submitted by suppliers

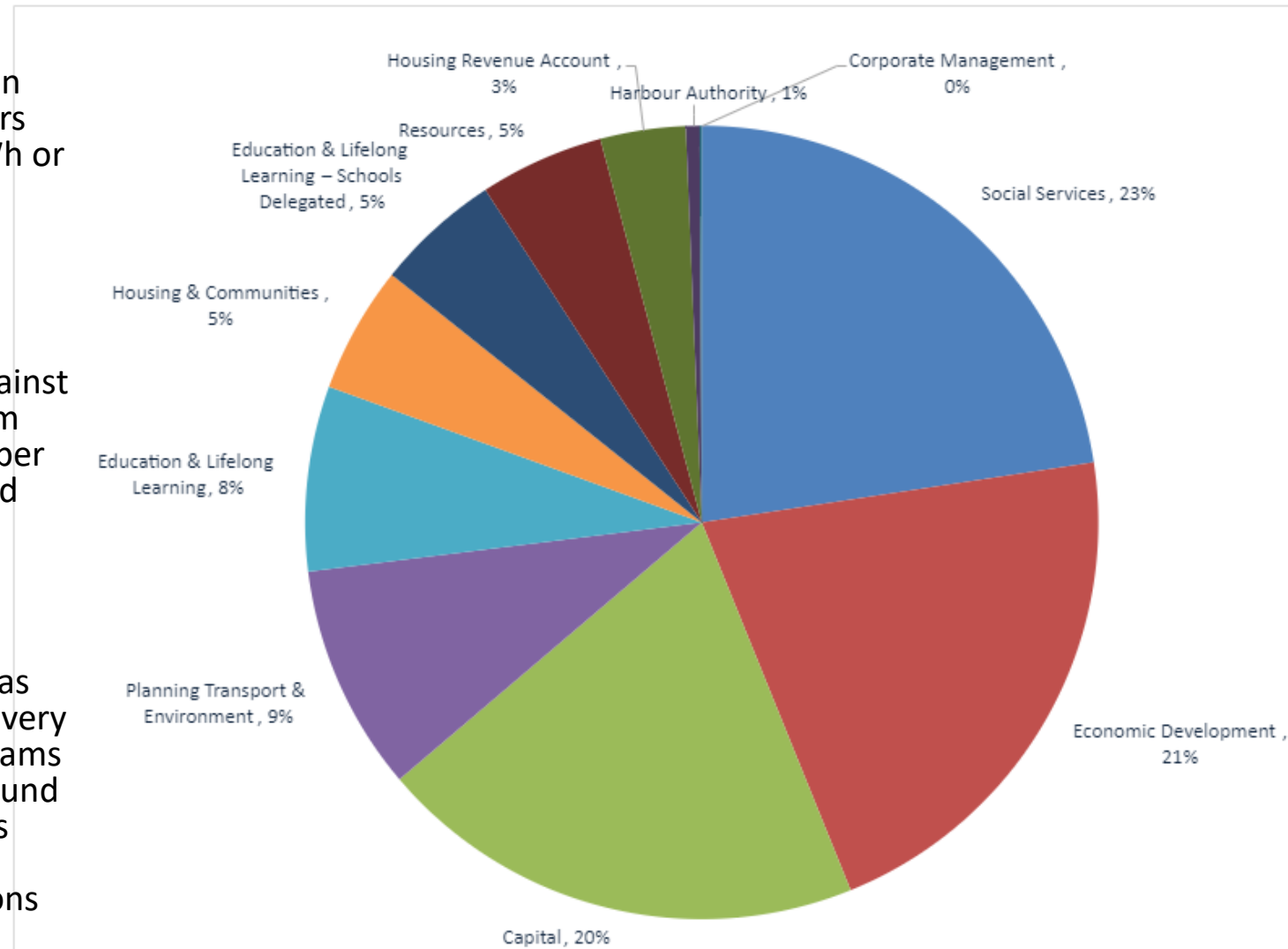
This is the most accurate data as they are actual consumption metrics reported by suppliers / contractors / service providers e.g. make and model of vehicles used, fuel in litres, kg or kWh or actual business travel in miles / kilometres, product specific emission factors calculated by the supplier, or organisational emissions allocated to product or service

## Tier 2: Average data method

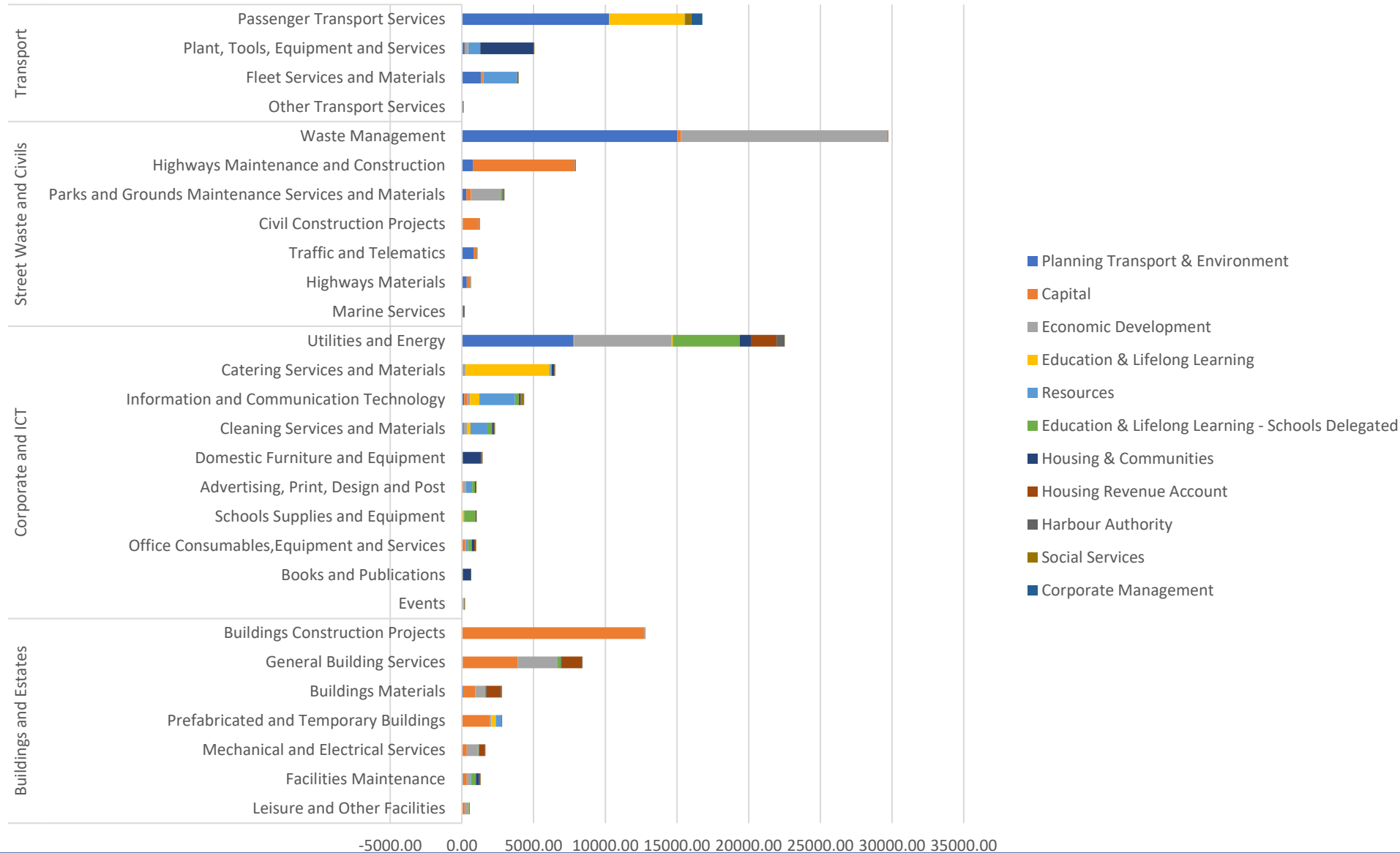
Using industry average emissions data to produce factors against standard units e.g. class/size of vehicles used kg/Co2e per km /miles, litres of fuel, tonnes; average could mean emissions per unit purchased e.g. typical lifecycle emissions for a purchased laptop from a lifecycle inventory database, etc. For example, [BEIS Greenhouse gas reporting: conversion factors 2020](#).

## Tier 1: Spend-based data

This is the least accurate data as it relies on proxy data such as the Supply Chain emission factors, example at Annex 1, for every pound spent in a generic category a weight of CO2e in kilograms is calculated. For example, for Electrical equipment every pound spent is assumed to generate 0.62 kg/CO2e. This approach is most useful in the early stages of understanding your CO2e spend profile and provides a starting point for planning actions to reduce your supply chain emissions and identifying opportunities to gather Tier 3 data.

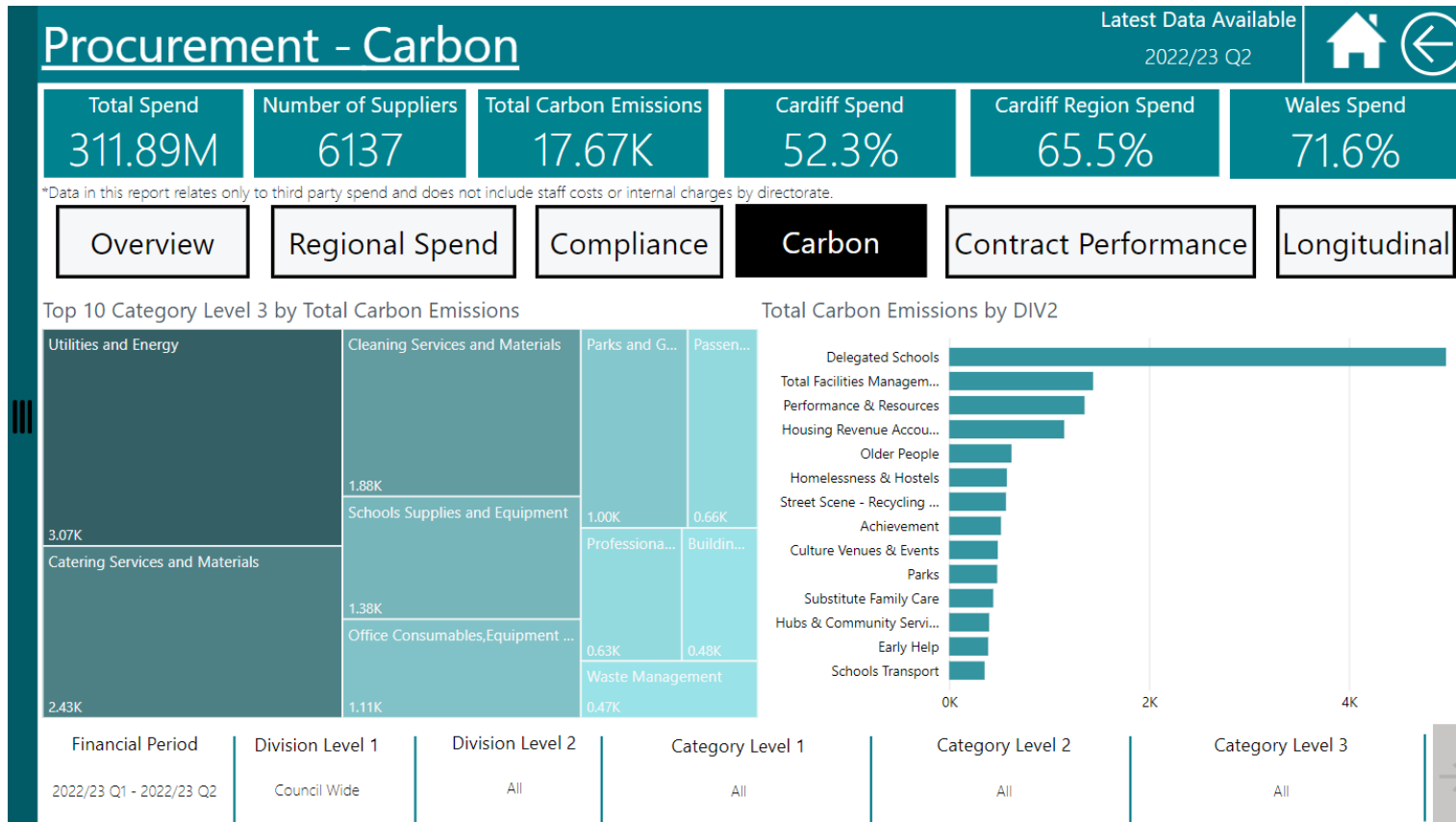


# Carbon footprint by Category / Directorate





# Carbon Footprint - Next Steps



Continue to investigate opportunities to include Tier 2 and 3 data

Rollout PowerBI reporting through Corporate Management Dashboard (Cardiff)

Agree Engagement approach with Directorates and Services with partner Climate / Carbon Team

Investigate opportunities to co-ordinate Carbon Literacy / Behavioural change training

# Embed in Procurement Cycle



<b>Early Market Engagement</b>	Procurement Route / Structure / Lots	<b>Specification / Requirements</b>	Terms & Conditions	<b>Selection Criteria</b>	<b>Method Statements</b>	<b>Award Criteria</b>	Welsh TOMs Social Value Framework	<b>Performance Measures / KPIs</b>
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Understand the market – new emerging technologies, products or solutions

Challenge technical specifications to require lower CO2e solutions

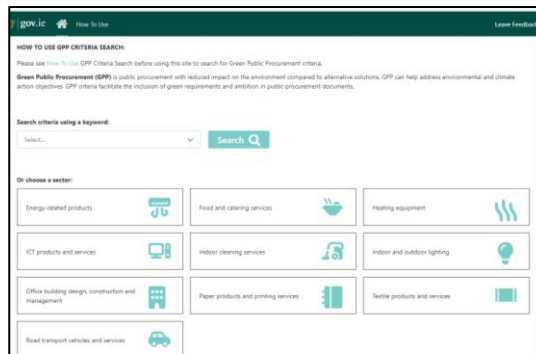
Ensure bidders committed to Net Zero by 2050 Carbon Reduction Plans

Ensure award criteria incentivises bidders to submit carbon reduction approaches

Ensure commitments are delivered and include performance measures / KPIs which require reporting on CO2e



[Local Authority Sustainable Procurement Toolkit - WLGA](#)



[GPPCriteriaSearch](#)



## Socially Responsible Procurement

**Part A - Selection Criteria** – used to determine suitability of bidder to deliver contract.

**Part B - Technical Specification** – included within specification.

**Part C - Method Statement (Scored Award Criteria)** – included in the quality section of the tender and evaluated. The weighting will be proportionate to the sustainability impact on the contract.

**[402] Carbon Reduction Plan** - Please confirm that your organisation is taking steps to reduce your GHG emissions over time and is publicly committed to achieving Net Zero by 2050.

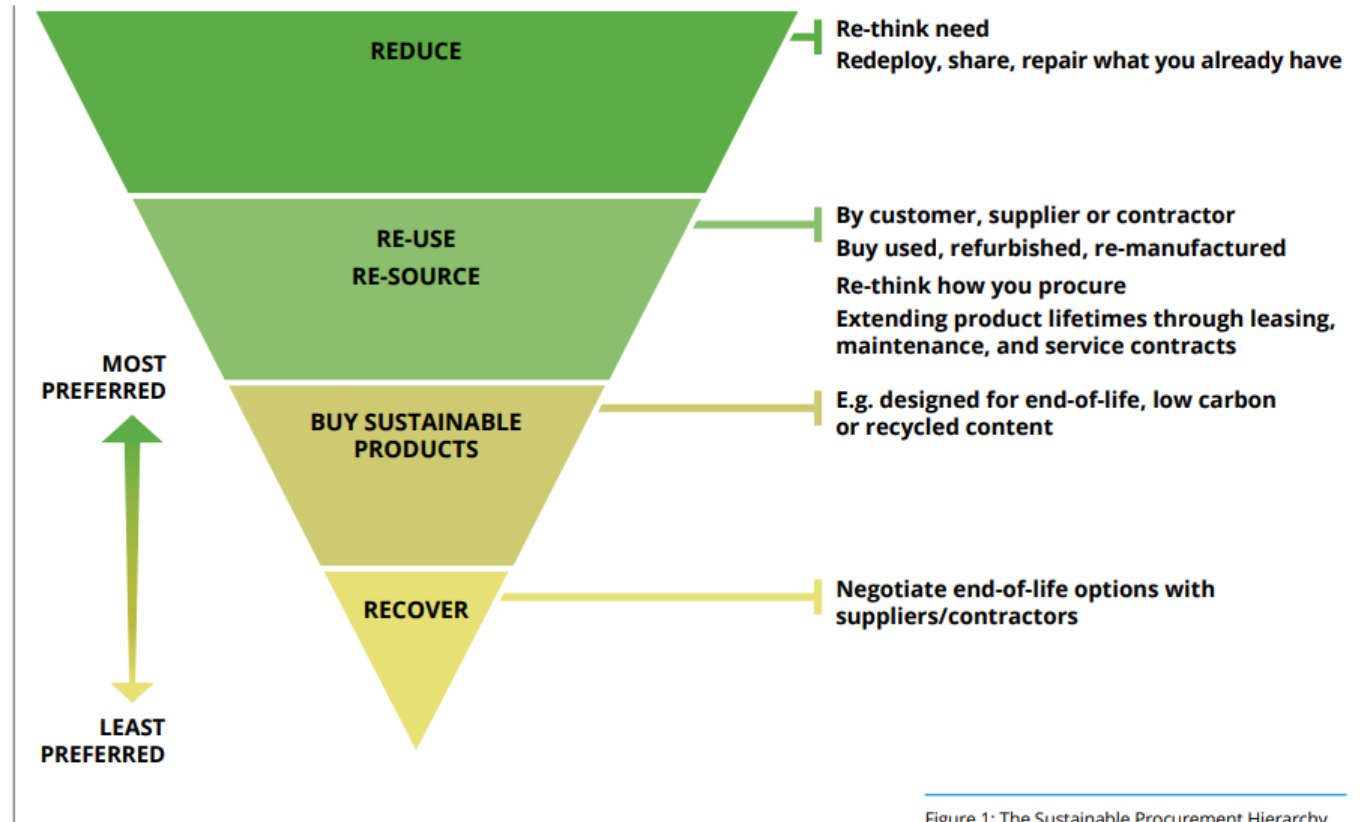


Figure 1: The Sustainable Procurement Hierarchy

- 2021 - Sustainable Procurement Maturity Review
  - Policy & Strategy
  - Leadership & Culture
  - Capabilities
  - Process
  - Supply Chain
  - Measuring & Reporting
- 2022 – Carbon Reduction Plan Review of ‘Top 30’ Suppliers
- 2023 - Pilot project support



- **CEIC** Programme and wider Research
- **Bristol Council** – sharing learning ideas
- **Welsh Government** – Decarbonisation and Circularity Group
- **2023 - Cwmpas Survey / Report**
  - Aimed at Social Enterprises, Third Sector and SMEs
  - Cardiff, Monmouthshire, Torfaen and Bridgend
  - Experience of Public Sector Procurement
  - Understanding preparedness for Net Zero and support required
  - Looking to work with partners to establish a carbon reduction market development and engagement programme



CO<sub>2</sub> PERFORMANCE LADDER



Pilot use of Local Authority Sustainable Procurement Tool (Cardiff and Powys)

Continuing to share practice through WLGA National Procurement Network and Regional Groups

- Measuring beyond Tier 1
- Developing our knowledge – delivering with limited capacity
- Co-ordinating and joining up activity across Welsh Public Sector – too much duplication
- Getting buy-in and ownership within our Directorates / Services
- Ability of our supply markets to respond
- Financing lower carbon options whilst market develops
- Awarding based on whole life costs and whole life carbon impacts

To reduce carbon we need to, improve our understanding the CO2e level and the Council's **ability to influence carbon reduction**. Key questions include:

- To what extent does the Council understand the factors generating CO2e?
- To what extent can the Council address factors by changing requirements?
- To what extent can the changes be met within the existing budget?
- To what extent can the supply market respond to changing requirements?

Thank you for  
listening

Any questions?