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# 1. Sustainable Procurement Tool

## Summary:

The following toolkit provides a 5-step method for achieving a balanced, proportionate approach to sustainability within the DE&S procurement process

### 1.1. Introduction

#### 1.1.0.1.

The following toolkit provides a 5-step method for achieving a balanced, proportionate approach to sustainability within the DE&S procurement process. Before attempting to apply the Sustainable Procurement tool please read the guidance available via the link below

[Pt 1 - An Introduction to Sustainable Procurement in DE&S](#) [1]

#### 1.1.0.2.

The 5 steps are designed to provide an approach to sustainable procurement that is within reach of delivery teams and useable, assuming no specialist knowledge. The outcomes will be of a simple nature but will better enable all teams to assess and embed sustainability (where proportionate and relevant) within procurement in an efficient and effective manner.

#### 1.1.0.3.

The 5 steps are a high-level 'screen' providing early indication of issues that may require further assessment and management, allowing delivery teams to plan for the associated time and resource where appropriate.

The 5 steps have been integrated into the POEMS approach to achieve efficiency and reduce any possible duplication.

#### 1.1.0.4.

Delivery Teams should complete the 5 steps as they progress the POEMS assessment. However, unlike the POEMS assessment which is revisited at multiple points during the acquisition lifecycle or the capability, the most benefit will be gained by applying the 5 steps to new acquisitions at the earliest stages of the CADMID cycle. For legacy capabilities, the 5 steps will be of most benefit during refits and upgrades. Step 5, Measurement and Learning from Experience, is applicable to all capabilities at end of life.

#### 1.1.0.5.

During scoping and prioritisation (Steps 2&3) it is appropriate to make assumptions where required. Upon completion of this toolkit, where further assessment and management is deemed appropriate, specialist advice may be sought.

#### 1.1.0.6.

Note: steps 2 and 3 can be utilised to compare similar options. Where options are being compared please note this within column "A" by indicating an option number accompanied by a brief description of the option. For example, "Option 1, hybrid drive propulsion system", "Option 2, no hybrid drive system but 10% greater fuel efficiency of traditional propulsion system" or "Option 1, addressing compliance of future legislation during Systems Requirement Definition", "Option 2, waiting until legislation is extant before addressing compliance as a modification during the in-service phase"

#### 1.1.0.7.

Material developed to complete the 5 steps will form the basis of evidence that will better enable delivery teams to generate appropriate sustainability content required for business cases and investment scrutiny as part of outputs including the Environment Management Plan (EMP), EFM and the risk and opportunity register.

#### 1.1.0.8.

Prior to commencing the 5 steps, Delivery Teams should engage with similar acquisition programmes and their Operating Centre to better understand sustainable procurement successes, failures and missed opportunities that are often only apparent with hindsight.

### 1.2. Step 1 Sustainable Procurement Plan (aligned with EMP01)

#### 1.2.0.1.

Risks and opportunities can be included as a supplementary element of the overall Environmental Management Plan created at POEMS EMP01. Therefore, it is recommended that where a sustainable procurement plan is relevant and proportional to the acquisition, it assumes the form of additional content within the Environmental Management Plan.

This approach will avoid duplication of effort.

Note: Delivery teams should revisit this step upon completion of steps 2 to 4.

### 1.2.1. EMP01 - Environmental Management Plan

#### 1.2.1.1.

[EMP01](#) [2] contains a list of specified contents of the environmental management plan. The list below is a direct reflection of this with the addition of further sustainable procurement content provided in bold:

- a. A Product, System or Service Description;
- b. Concept of use, operation and operating environment;
- c. A description of the Project Team and structure;
- d. Relationship with other systems;
- e. Summary of anticipated and/or actual legal compliance arguments (**including social and ethical policy and standards**), exemptions / derogations;
- f. Reference to the Environmental **and Sustainability Policy** to be met;
- g. Stakeholders;
- h. Anticipated and/or actual significant environmental **and wider sustainability** aspects;
- i. Outline approach to anticipated aspects including objectives and targets, communications, **number and nature of sustainable procurement issues to be applied to the acquisition and brief explanation (this should reflect information presented in the Environmental Feature Matrix)**;
- j. Environmental **and wider sustainability** responsibilities;
- k. Interface with other business systems/processes **including commercial and finance**;
- l. Considerations to be embedded within the procurement process (link to significant environmental aspects);
- m. Key environmental management milestones;
- n. Assurance regimes;
- o. Resources required;
- p. Competence and SQEP;
- q. Other pertinent information.

### 1.3. Step 2 Risk and Opportunity Scoping (aligned with EMP04)

#### 1.3.0.1.

The scoping of risks and opportunities (aligned with [EMP04](#) [3]) shall be recorded within the Environmental Feature Matrix (EFM) of POEMS.

EFM column "B" shall provide an outline description of the acquisition and column "C" shall provide an outline description of risks and opportunities where there is a potential to manage/exploit them with targeted activity within the procurement process. Use the content of the Sustainable Procurement Introductory Guide and the following two tables to assist with populating column "C" where those issues may be relevant and proportional to the procurement in hand.

It is acceptable to include risks and opportunities that have been included in previous sections of the EFM where there is scope to address those risks or enhance those opportunities within the procurement process.

This guidance focuses on the need to consider SP in Environmental Management practices under ASEMS, but it should be remembered that sustainability covers a broad range of topics some of which will be led by other DE&S business functions.

#### 1.3.1. Scoping Study

##### 1.3.1.1.

The scoping exercise should give consideration (where relevant to the acquisition) to the management of the environmental, social, ethical and economic risks and opportunities of:

Design	<a href="#">Non-renewable resources</a> [4]
Materials security	<a href="#">Biodiversity</a> [5]
<a href="#">Climate change</a> [6]	Manufacture and production methods
<a href="#">Cyber security</a> [7]	Logistics
<a href="#">Whole life costing</a> [8]	Energy
<a href="#">Equality</a> [9]	Service delivery
Packaging	<a href="#">Government Buying Standards</a> [10]
Education	Safety and force protection
Ethics, diversity and inclusion	Use / In-service
<a href="#">Modern slavery and trafficking</a> [11]	Counterfeit material
<a href="#">Conflict minerals</a> [12]	Operational capability
Maintenance	<a href="#">Hazardous materials</a> [13]
Employment	Community
<a href="#">Reuse, repurposing and recycling options</a> [14]	Disposal / End of life
Trade compliance	Supplier ability to manage supply chain
Health and welfare	Skills and training
Resilience	Reputation
Maintainability / Availability	Efficiency

### 1.3.1.2.

An appropriate balance of weighting should be applied to the social, environmental and economic opportunities and risks of any procurement.

### 1.3.2. Common Sustainable Procurement risks and opportunities

#### 1.3.2.1.

The following table provides some examples of common sustainable procurement risks and opportunities:

Note: Many of the risks and opportunity examples presented below can comfortably sit in more than one column. This is indicative of the inter-related nature of sustainability issues.

Identified project risks must be captured by the Active Risk Manager (ARM) tool as per the BMS process (BMS processes are mandatory).

#### 1.3.2.2.

Environmental	Social	Economic

Emissions to air (greenhouse gases, NOx, SOx, particulate matter)	Enabling training opportunities and skills development (e.g. apprenticeships)	Understanding whole life costings and value for money
Waste and by-products	Promoting workforce welfare and/or deployed forces protection	Reducing entry barriers (open competition)
Releases to land and water pollution (chemicals, fuels and oils)	Promoting fair working practices (e.g. equality, diversity, fair wages, avoiding bonded labour)	Ensuring business continuity and supply chain resilience
Use of energy including efficiency and renewables	Encouraging the use of suppliers employing former members of the armed forces	Job creation (back to work schemes, green technologies, markets for recycled products)
Climate impacts, resilience and adaptation	Fair trade and ethical sourcing (global supply chain issues such as conflict minerals, child labour and working practices)	Ensuring suppliers agreements are at a fair and reasonable margin
Energies emitted such as heat, radiation, vibration and noise	Community benefits such as supporting volunteering activities and community groups	Facilitating opportunities for small and medium sized enterprises
Use of materials, security of supply and biodiversity	Encouraging a diverse supplier base (SMEs, minorities, ex-forces personnel and under-represented groups)	Ensuring the operating business remains a viable operation able to provide employment

#### 1.4. Step 3 Risk and Opportunity Priority Assessment (aligned with EMP05)

##### 1.4.0.1.

The priority assessment of risks and opportunities (aligned with [EMP05](#) [15]) shall be recorded within the [Environmental Feature Matrix \(EFM\)](#) [16] of POEMS.

Note: Observations can interface with wider programme risk management. Eg Active Risk Management Tool

Step 3 is a risk and opportunity priority assessment which provides a basic approach to proportionality and relevance that takes into account factors including through life cost, value, operational effectiveness and risk management.

##### 1.4.1. Populating Environmental Feature Matrix

##### 1.4.1.1.

Populating columns “E” to “J” will provide an automatically generated score in column “K” and column “L” should be used to manually record the decision as to whether to proceed with activity within the procurement process.

This approach is designed to inform reasoned judgement when reviewing a range of options. Further in-depth analysis may be required.

##### 1.4.2. Guidance for the completion of columns “E” to “J”

##### 1.4.2.1.

Column “E” Environmental Risk Level (1-5):

Environmental risks should be drawn down from the main POEMS assessment where there is reasonable scope to address them within the procurement process.

##### 1.4.2.2.

Column “F” Social and Ethical Risk Level (1-5):

Social and ethical risks can be drawn down from the main POEMS assessment where there is reasonable scope to address them within the procurement process. It is unlikely that all relevant social and ethical risks will be discovered during the POEMS assessment and will therefore need outline review here. For further information refer to the Sustainable Procurement Introductory Guide along with the scoring guidance table within this toolkit.

##### 1.4.2.3.

#### Column “G” Environmental Opportunity Level (1-5):

Environmental opportunities will most often be based upon confronting an environmental risk (see column “E”). For example, a significant environmental aspect of operating an armoured personnel carrier is fuel use. An environmental opportunity could be the inclusion of a hybrid drive system. This would provide opportunity to reduce fuel use, enable greater operational capability through enhanced range and less refuelling required. Costs through life will most likely reduce (when considering the fully burdened cost of fuel) and a silent running facility will increase capability and force protection (a social and ethical opportunity, see column H).

##### 1.4.2.4.

#### Column “H” Social and Ethical Opportunity Level (1-5):

Social and ethical opportunities will most often be based upon confronting a significant risk (see column “F”). For example, a significant risk could be the loss of a UK skilled workforce in naval shipbuilding and the opportunity within procurement could be to require the successful contractor of a ship building project to embed a number of ship building apprenticeships into their contract delivery.

##### 1.4.2.5.

#### Column “I” Procurement Spend Level (1-10):

Please refer to the “In depth scoring guidance” table, found below, for guidance on procurement spend level. Note: procurement spend level should be the whole life anticipated spend for the whole system/project. Column “M” provides an opportunity to note the nature of the procurement spend used.

##### 1.4.2.6.

#### Column “J” Value of Initiative Relative to Procurement Spend Level (1-10):

This value attributes a score to the overall cost or saving of ‘doing something’ (the sustainable procurement option being considered). The indicative percentage is relative to the total procurement spend level indicated in column “I”. For example, if procurement spend level is £100k and the initiative will save £9k then the score in this column will be “7” (indicating an “up to 10% saving”, as specified in the table below). It is acceptable to estimate the cost or the saving of the sustainability initiative. This figure should represent anticipated whole life cost or saving.

##### 1.4.2.7.

#### Column “K” Priority Score:

This column provides an automatically generated score to aid decision to proceed or not. The score generated will be between 6 and 40.

##### 1.4.2.8.

#### Column “L” Take this option forward into procurement process? Yes/No:

Delivery teams shall indicate either “yes” or “no” as to whether they are taking the sustainable procurement option forward into the procurement process. The priority score generated at column “K” will aid in making the decision. It is advised that the highest score options will be taken forward into the procurement process. The exact number and nature of sustainable procurement initiatives will need to be recorded and justified within the plan (Step 1).

Along with using the priority score at column “K”, the delivery team should base their decision for the number and nature of sustainable procurement initiatives upon the size and potential scope of risks and opportunities that their project presents. The delivery team approach should be both relevant and proportional.

**Note:** regardless of the Priority Score generated at Column “K” there may be opportunities to take forward low scoring “quick wins”.

##### 1.4.2.9.

**Note:** Due to the intentionally straightforward nature of this Toolkit, when comparing options that are completely opposite, the priority score generated at column “K” will be identical or very close. This is due to opportunities and risks often being different sides of the same issue. Where this occurs, the SQEP panel should seek further differentiation of options and/or take forward the more sustainable option.

### 1.4.3. In Depth Scoring Guidance

#### 1.4.3.1.

In depth scoring guidance is available from the table below.

[Scoring Guidance Table](#) [17]

## 1.5. Step 4 Activity within the Procurement Process (EFM)

### 1.5.0.1.

Activity within the contracting process should be led by the commercial resource with input from the delivery team and requirements owner. Commercial officers should refer to the Sustainable Procurement Commercial Guide for assistance.

#### 1.5.0.2.

The POEMS assessment is revisited at multiple points during the acquisition lifecycle. The 5 step method provided here, despite being embedded within POEMS, should only be applied to new acquisitions at the earliest stages of the CADMID cycle and during refit and upgrade. It is at these points that Commercial Officers should be involved in the environmental committee. This will better enable Commercial Officers to understand the issues and lead the application of step 4 (this step).

#### 1.5.0.3.

Note: It may be pertinent to involve other relevant functions and organisations at the same time as involving Commercial Officers where their involvement has the potential to better enable sustainable procurement.

As previously highlighted SP covers a broad range of risks and it touches topics led by other business functions.

#### 1.5.0.4.

The worked examples in the [EFM](#) [16] can also provide some indication as to embedding sustainability matters throughout the procurement process in a low impact and contractually safe manner.

### **1.6. Step 5 Measurement and Learning from Experience (aligned with EMP09)**

#### 1.6.0.1.

It is vitally important to feedback to other delivery teams, the relevant Front Line Command, Operating Centre and other relevant parties regarding the results of sustainable procurement activity (aligned with [EMP09](#) [18]). This feedback can be crucial in determining the most effective procurement approach for similar PSS. Feedback can be both good and bad allowing delivery teams to avoid pitfalls and capitalise upon previous success.

#### 1.6.0.2.

It is recommended that Delivery Teams proactively seek out similar delivery teams, the relevant Front Line Command, Operating Centre and other relevant parties to better understand sustainable procurement successes, failures and missed opportunities that are often only apparent with hindsight. These should then be considered where relevant.

LFE needs to follow the BP&A process for LFE mandated in the BMS.

#### 1.6.0.3.

Note: The SP tool kit provides a high level screen designed to drive further work if deemed proportionate/relevant and therefore the toolkit alone shouldn't be used as justification to support a procurement decision.

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**Source URL:** <https://www.asems.mod.uk/toolkit/sustainable-procurement-tool>

#### **Links**

- [1] <https://www.asems.mod.uk/sites/default/files/documents/EMP/Sustainable%20Procurement%20V2%20Intro%20Guide.pdf>
- [2] <http://www.asems.mod.uk/guidance/poems/emp01>
- [3] <http://www.asems.mod.uk/guidance/poems/emp04>
- [4] [https://en.wikipedia.org/wiki/Non-renewable\\_resource](https://en.wikipedia.org/wiki/Non-renewable_resource)
- [5] <https://en.wikipedia.org/wiki/Biodiversity>
- [6] [https://en.wikipedia.org/wiki/Climate\\_change](https://en.wikipedia.org/wiki/Climate_change)
- [7] [https://en.wikipedia.org/wiki/Computer\\_security](https://en.wikipedia.org/wiki/Computer_security)
- [8] [https://en.wikipedia.org/wiki/Whole-life\\_cost](https://en.wikipedia.org/wiki/Whole-life_cost)
- [9] <https://en.wikipedia.org/wiki/Equality>
- [10] <https://www.asems.mod.uk/Government%2520Buying%2520Standards>
- [11] [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/652652/typology-modern-slavery-offences-horr93.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/652652/typology-modern-slavery-offences-horr93.pdf)
- [12] <https://www.asems.mod.uk/Conflict%2520minerals>
- [13] [https://en.wikipedia.org/wiki/Dangerous\\_goods](https://en.wikipedia.org/wiki/Dangerous_goods)
- [14] [https://en.wikipedia.org/wiki/Circular\\_economy](https://en.wikipedia.org/wiki/Circular_economy)
- [15] <http://www.asems.mod.uk/guidance/poems/emp05>
- [16] [http://www.asems.mod.uk/sites/default/files/documents/EMP/EMP04\\_F\\_01-SP\\_EFM\\_Ver\\_2.xlsx](http://www.asems.mod.uk/sites/default/files/documents/EMP/EMP04_F_01-SP_EFM_Ver_2.xlsx)
- [17] <http://www.asems.mod.uk/sites/default/files/documents/EMP/SP%20Scoring%20table.pdf>
- [18] <http://www.asems.mod.uk/guidance/poems/emp09>