

Driving Standards Agency Sustainable Procurement Action Plan 2011-12

31 March 2011

Foreword

Since we started assessing our sustainable procurement in 2007, progress has been impressive. The world of frameworks and strategic plans can often appear to have little practical relevance but we have shown that in our case this has translated into real changes. From the fleet of smaller motorcycles and low emission cars (104gCO₂/km) to the removal of the theory test certificate and streaming videos rather than manufacturing DVDs, we have taken significant steps. As a result we are seeing sustainability drive procurements such as PC energy management software and utility optimisation rather than featuring as an ancillary consideration.

This momentum needs to be preserved and I am pleased to introduce our plan for the next five years which will keep challenging us to innovate, pioneer and evolve.

Rosemary Thew
DSA Chief Executive

Background

The Government's vision is to be the 'greenest Government ever'. It has made a commitment to take action to significantly reduce the impact the Government has on our environment: reducing emissions of greenhouse gases, reducing waste and reducing water usage.

Procurement is seen as a key driver for delivering this commitment. The existing Sustainable Procurement Strategy produced by DfT put in place the building blocks for DSA to focus on critical areas and achieve a reduction in environmental impact. The Strategy was built around the Sustainable Procurement Flexible Framework, which is a tool that can be used to assess to what extent sustainability is embedded within an organisation's procurement.

Government has published a high-level carbon footprint showing that the supply chain accounts for more than 75% of central Government's footprint. This reinforced Government's commitment to manage supply chain carbon emissions.

Since 2007 the Driving Standards Agency has published sustainable procurement action plans to continually enhance the Agency's performance. These plans have helped DSA deliver a number of quick wins and taken us to at least level 3 across the Flexible Framework. DSA now recognises the need to develop a longer-term plan, which will seek to achieve compliance with the more challenging aspects of the Flexible Framework.

In line with procurement's contribution, DSA is also working in other areas to reduce the Agency's environmental impact. DSA has recently published a five-year plan to reduce its carbon footprint by 25%.

DSA also operates an Environmental Management System at the Head Office and the Training Centre to manage environmental impacts and ensure compliance with legal requirements. Both sites have been certified to ISO14000 standard. Work is being carried out to extend the EMS across the organisation.

Our approach

DSA exists to promote road safety through improving driving standards and testing drivers, motorcyclists and driving instructors fairly and efficiently. In order to achieve this we run a mixed estate of over 400 sites spread around England, Scotland and Wales which range from purpose built centres to occasional use outstations. Through administering the driving test and other activities we seek to encourage road users to be safe, considerate of others and to minimise their effect on the environment. Our planned turnover for the 2010/11 year is in the region of £200 million.

In 2008 we published our first Sustainable Procurement Action Plan which was designed to take us to level three across the board on the Flexible Framework by March 2009. We were successful in delivering the plan and the independent assessment confirmed that we had realised our goal. Our second SPAP aimed to maintain the existing level and reach level five in one of the strands on the Flexible Framework. In December 2009, a DfT-wide external assessment carried out by an independent body placed DSA at the forefront of the Department. DSA achieved compliance with the level 3 in all and level 5 in Policy Strategy and Communications. We were also assessed at level 4 for two categories which meant we had exceeded our goal.

Targeted Action

It is clear both from the Flexible Framework and the DfT Strategy that there needs to be a targeted approach to areas of spend and suppliers. Some measures can be applied across the board and others are to be targeted at key areas. Throughout this document wherever a primary contract or key supplier is referenced, this relates to the contracts listed below.

The ratings below are in line with classification in the DfT strategy. The risk and impact of these was assessed in 2007 when the first department-wide Sustainable Procurement Strategy was formulated.

The key contracts identified were:

Contract	Env Impact/Risk	Rationale for inclusion
IT Services	Low	High spend and energy consumption
Total Facilities Management	High	Large estate of approximately 400 locations nationwide
Theory Test Services	High	High spend and an estate of 150 locations

Our aim

On 28 February 2011 Government announced its commitment¹ to:

- ensure that all Government Departments follow the sustainability criteria set out in Government Buying Standards for commonly purchased goods and services
- ensure that carbon footprint performance of supply chains is shared
- continue managing carbon footprint within its supply chains

DSA's aim is to build on the work already completed in reaching level 3 in all and level 5 in one category of the Sustainable Procurement Flexible Framework in line with the new Government targets. DSA will continue to use the Sustainable Procurement Flexible Framework to measure how sustainability is embedded within its procurement function.

Our vision for 2015 is that all procurements within the Agency will adopt the latest sustainability best practice. To demonstrate this we will evaluate our progress against the Flexible Framework and consider that we have delivered our vision if we can satisfy all the requirements up to and including level five in every strand.

However, we acknowledge that we need to plan interim milestones. As a result we have set ourselves the following goal. By April 2012, we will:

1. achieve full compliance with 'Lead' Level 5 in People category from Level 4
2. maintain 'Lead' Level 5 in Policy, Strategy and Communications
3. improve Level 4 and achieve partial compliance with 'Lead' Level 5 in Procurement Process category
4. improve Level 3 and achieve full compliance with 'Enhance' Level 4 in Engaging Supplier category
5. improve Level 3 and achieve full compliance with 'Enhance' Level 4 in Measurement and Results category

This Plan lists specific actions which seek to deliver the above goal. This Plan will be reviewed regularly to take account of any changes in Government priority and to set new milestones and target towards our overarching vision.

¹ Other commitments than those outlined below have been made by the Government. However, the Centre of Excellence for Sustainable Procurement is currently creating guidance and this Plan will be updated once this is available.

Full requirements for all levels of the Sustainable Procurement Flexible Framework can be found in **Annex B**.

Evidence of compliance with lower levels of the Sustainable Procurement Flexible Framework was published in the [Sustainable Development Progress Report](#) on 08 December 2010.

Projected Benefits

The Sustainable Procurement Task Force concluded there would be significant benefits from achieving more sustainable procurement. Many of these are applicable to DSA and we feel that the Agency will benefit in a number of ways, including:

- better stewardship of taxpayers' money, ensuring value for money is achieved
- greater innovation and encouragement for more environmentally responsible technologies
- better management of risk
- concerns about upfront costs would be mitigated
- improved information about purchasing patterns, supplier relationships and management.

All these elements of sustainable procurement are in many ways simply examples of good procurement practice.

Historic Progress

We were first assessed against the Flexible Framework in December 2007. A traffic light system was used to show our level of compliance in each area as explained below.

Table 1: Assessment criteria applied by the independent assessors

Rating	Assessment description
	Level Achieved
	On route to achieving Level, partially achieved
	Not achieved, work underway, more to do

We received a rating of Level 1 with two in Level 2 (see table below). The Review also stated that we had satisfied some elements of levels 3 and 4. Although this Review placed DSA as equal leaders within DfT we recognised that this meant we had some way to go if we were to reach or exceed the 2009 goal.

Table 2: Summary of the Assessment of Sustainable Procurement in DSA 2007

SPTF Flexible Framework Headings and Levels					
DSA	1	2	3	4	5
People					
Policy, Strategy & Communications					
Procurement Process					
Engaging Suppliers					
Measurements & Results					
OVERALL					

In December 2008 we were assessed again by an independent party. This review showed that we had achieved Level 3 across the Flexible Framework, with one category in Level 4. The only exception was the whole life costing element of Level 2 of Procurement Process. We rectified this through a whole life costing workshop and applying the learning to the motorcycle fleet tender. This allowed us to declare that we had reached or exceeded level three across the board by March 2009.

Table 3: Summary of the Assessment of Sustainable Procurement in DSA 2008

SPTF Flexible Framework Headings and Levels					
DSA	1	2	3	4	5
People					
Policy, Strategy & Communications					
Procurement Process					
Engaging Suppliers					
Measurements & Results					
OVERALL					

In December 2009, external assessment showed that DSA had exceeded Government targets. This was demonstrated by being assessed at:

Table 4: Summary of the Assessment of Sustainable Procurement in DSA 2009

SPTF Flexible Framework Headings and Levels					
DSA	1	2	3	4	5
People					
Policy, Strategy & Communications					
Procurement Process					
Engaging Suppliers					
Measurements & Results					
OVERALL					

In December 2010, DSA self-assessed its progress against Flexible Framework and table below shows the results of the assessment:

Table 5: Summary of self-assessment of DSA's Sustainable Procurement in December 2010

SPTF Flexible Framework Headings and Levels					
DSA	1	2	3	4	5
People					
Policy, Strategy & Communications					
Procurement Process					
Engaging Suppliers					
Measurements & Results					
OVERALL					

By completing the actions identified in this plan, DSA will meet the requirements of the Sustainable Procurement Flexible Framework to the levels specified in table 6.

Table 6: Projected level of progress of DSA's Sustainable Procurement by **April 2012**

SPTF Flexible Framework Headings and Levels					
DSA	1	2	3	4	5
People					
Policy, Strategy & Communications					
Procurement Process					
Engaging Suppliers					
Measurements & Results					
OVERALL					

Sustainable Procurement Flexible Framework – Planned Actions

People

Current assessment: partial compliance with Level 5

Requirements for level 5: 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.

Evidence of partial compliance: Case studies have been shared with DfT (c) and other agencies, and were used during whole life costing training workshop in February 2009. DSA procurement attended Carbon Literacy workshop organised by the Cabinet Office in February 2011.

Actions required for full compliance with Level 5 requirements:

No	Target	Timescale	Ownership
1	Investigate how DSA's external awards and achievements (such as the Carbon Trust Standard) could be used in any job advertisement when recruitment is next required.	April 2012	Human Resources
2	DSA will review appropriate awards, identify completed activities that demonstrate excellence, write Case Study(ies) and submit joint applications in partnership with our supplier	April 2012	Sustainable Development

Procurement Process

Current assessment: full compliance with Level 4

Requirement for Level 5: 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.

Evidence of partial compliance: Barriers to sustainable procurement have been removed through contract management forums, and evaluating tenders on a whole life cost basis. Financial approval forms have been amended to act as a trigger to initiate sustainability consideration at an early stage in making purchases. Examples such as the dual bin shredders have been shared with the Department and other Agencies, as have the DSA mini action plans (used as best practice).

Actions required for partial compliance with Level 5 requirement:

No	Target	Timescale	Ownership
3	DSA will continue promoting sustainable procurement through contract management forums	Ongoing	Contract Managers
4	DSA will support the Theory Test provider in putting the necessary mechanics in place to calculate the carbon footprint for delivery of DSA activities.	April 2012	Procurement & Theory Test Contract Manager
5	Through DfT(c) category management, DSA will seek to publish the carbon footprint for recycled paper.	March 2012	DfT Central

Engaging Suppliers

Current assessment: partial with Level 4 and full compliance with Level 5

Requirement for Level 4: Key suppliers targeted for intensive development. Sustainability audits and supply chain improvement programmes in place. Achievements are formally recorded. CEO involved in the supplier engagement programme.

Evidence of partial compliance: DSA have been working with key suppliers on developing sustainability action plans, and monitoring progress against those plans. This is done through regular monthly service review meetings with Theory Test and ICT contractors. These action plans are shared with the central department at appropriate frequencies. The DSA CEO attends quarterly review meetings with those suppliers. As part of the Audit and Risk Management Committee schedule an internal audit of the Sustainable Development function was completed in July 2009 and received a strong score. Another audit is planned for mid 2011. The EMS sustainable procurement link was externally audited in March 2009 and recommendations implemented. DSA will continue participating in the Carbon Disclosure Project and review responses and agree appropriate next steps to engender continued communication and improvement.

Actions required for full compliance with Level 4 requirements:

No	Target	Timescale	Ownership
6	Through the contract management review meetings, DSA will engage Theory Test and IT Services suppliers to capture their carbon footprints.	April 2012	Theory Test & IT Services Contract Managers
7	In line with the core department's future strategy, DSA will continue to work with key suppliers and publish supply chain carbon footprint information through the Carbon Disclosure Project or its equivalent ² .	April 2012	DfT Central

² This is subject to the core Department proceeding with the Carbon Disclosure Project second round and assigning funding.

Measurements and Results

Current assessment: partial compliance with Level 4

Requirement for Level 4: 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.

Evidence of partial compliance: The external review was department wide and allowed for comparison between business units. Last external review placed DSA at the top of the progress chart within DfT(c). The benefits of initiatives such as the multi functional devices and the removal of the Theory Test certificate have been communicated internally and through the Sustainable Development in Government report.

Actions required for full compliance with Level 4 requirements:

No	Target	Timescale	Ownership
8	For appropriate procurements we will adopt a whole life cost (WLC) approach to the evaluation of the price element which will take into account more than just the acquisition cost. As part of the qualitative element of evaluation we will include relevant environmental factors appropriate to the contract.	Ongoing	Procurement & Contract Managers
9	DSA will amend procurement approval forms and the standard specification template document to record compliance to Government Buying Standards	April 2012	Procurement
10	DSA will review the current Government Buying Standards (GBS) and those planned for publication in 2011-12. We will then map requirements against internal function owners.	April 2012	Procurement
11	Investigate the possibility of using the EMS to monitor ongoing compliance with GBS once systems are established	April 2012	Sustainable Development
12	DSA will carry out a quarterly check of GBS, and communicate any updates to appropriate contract managers.	Ongoing	Procurement

Accountability and Monitoring

We will monitor our progress through self review or internal audit by March 2012. The method will be defined during 2012 and we will seek to achieve independence in whatever solution is chosen.

The sustainable procurement representative will co-ordinate quarterly updates reported through the Sustainable Development Board.

Support for the commitments will be underpinned by deliverables within DSA's Performance Development System and requirements in the Contract Management Review which will ensure that Contract Managers are aware of their responsibility in managing the impacts of their contracts.

DSA will contribute to overall departmental reporting of carbon footprints within the supply chains of DSA key suppliers. This is likely to be a continuation of Carbon Disclosure Project, for which at the time of publishing this plan, DfT(c) was looking to implement.

The outcome of all environmental improvement is reported through Accounting for Sustainability reporting in the DSA Annual Report and Accounts.

Annex A – Abbreviations and Terms

Abbreviations

DSA	Driving Standards Agency
DfT	Department for Transport.
SP	Sustainable Procurement
CESP	Centre of Expertise in Sustainable Procurement
DEFRA	Department for Environment, Food and Rural Affairs
OGC	Office for Government Commerce
EMS	Environmental Management System

Definition of Terms

Business Target	Every year DSA defines a set of targets which we aim to deliver over the coming year. These are split into a number of types, with Business Targets being primarily concerned with the internal operations.
DfT (c)	The central Department act as a coordinating body for the Agencies and the Non-Departmental Public Bodies attached to DfT.
Flexible Framework	A framework designed by the Sustainable Procurement Taskforce to aid the process of embedding sustainable procurement practices.
Sustainable Performance Taskforce	A group set up by Government drawn from all areas of procurement which was tasked with defining how to achieve the objective becoming a leader in sustainable procurement.

Annex B – Flexible Framework

The Flexible Framework was recommended by the Sustainable Procurement Task Force and has been adopted by DSA.

SPTF Flexible Framework	Foundation	Embed	Practice	Enhance	Lead
	Level 1	Level 2	Level 3	Level 4	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 to staff, suppliers and key stakeholders.	Augment the sustainable procurement policy into a strategy covering risk, process integration, marketing, supplier engagement, measurement and a review process. Strategy endorsed by CEO.	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 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 identified. Key suppliers targeted for engagement and views on procurement policy sought.	Detailed supplier spend analysis undertaken. General programme of supplier engagement initiated, with senior manager involvement.	Targeted supplier engagement programme in place, promoting continual sustainability improvement. Two way communication between procurer and supplier exists with incentives. Supply chains for key spend areas have been mapped.	Key suppliers targeted for intensive development. Sustainability audits and supply chain improvement programmes in place. Achievements are formally recorded. CEO involved in the supplier engagement programme.	Suppliers recognised as essential to delivery of organisations' sustainable procurement strategy. CEO 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. Simple measures based on achieving all aspects of the Foundation level of the flexible framework are put in place and delivered.	Detailed appraisal of the sustainability impacts of the procurement activity has been undertaken. Measures implemented to manage the identified high risk impact areas. Simple measures based on achieving all aspects of the Embedding level of the flexible framework are put in place and delivered.	Sustainability measures refined from general departmental measures to include individual procurers and are linked to development objectives. Simple measures based on achieving all aspects of the Practising level of the flexible framework are put in place and delivered	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. Simple measures based on achieving all aspects of the Enhancing level of the flexible framework are put in place and delivered.	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. Simple measures based on achieving all aspects of the Leading level of the flexible framework are put in place and delivered.

Note: colours represent the results of the last external assessment of DSA in December 2009