

DOWN TO ZERO

JOINT PUBLIC PRIVATE LOW CARBON PROCUREMENT COMPACTS

AN INVITATION TO SUPPLIERS



THE PRINCE OF WALES'S

UK CORPORATE LEADERS GROUP ON CLIMATE CHANGE
UNIVERSITY OF CAMBRIDGE PROGRAMME FOR SUSTAINABILITY LEADERSHIP

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The following companies and organisations are leading the way by publicly supporting this initiative:



“I believe that Government has a key role to play in ensuring more effective supply chain engagement, and by signalling demand for low carbon innovation. This important initiative will help to drive investment in new and better goods and services.”

Vince Cable,
Secretary of State for Business, Innovation and Skills

“We need a major shift to deliver new products and services with lower environmental impacts across their lifecycle – and new business models that meet this challenge while boosting competitiveness. In practical terms this means ‘getting more from less’ through better products and services, cleaner, more efficient production processes, and shifts in consumption towards goods and services with lower-carbon impacts.”

Lord Taylor of Holbeach, Department for Environment,
Food and Rural Affairs (Defra)

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CLARENCE HOUSE

Since its inception in 2005, my Corporate Leaders Group has been championing the development of a low-carbon economy. It has engaged at the highest level with policymakers and thought-leaders to identify the steps necessary to have an economy which is both financially and environmentally sustainable. A crucial part of this has been my Corporate Leaders Group's support for legally binding targets to drive action on climate change in the United Kingdom all the way to 2027. However, the fact remains that reaching these lofty goals is still something of a challenge. I am much encouraged, therefore, that the far-sighted business leaders who make up my Corporate Leaders Group are still committed to addressing these issues, despite the fragile nature of the global economy.

When you think about it, it is self-evident that both the public and private sectors have tremendous influence on the direction the economy takes through their purchasing power. Everyday, companies and Government departments spend millions of pounds buying all manner of goods and services. It is vital to show how this purchasing power can be used to create truly sustainable new markets and there is an urgent need for practical projects which show just what is possible. Therefore, I welcome this project and look forward to seeing the response from the market and, hopefully, continued progress in innovative, low-carbon goods and services.

A handwritten signature in black ink, appearing to read "Charles", with a long horizontal flourish underneath.

Introduction from the Department for Business, Innovation and Skills and the UK Corporate Leaders Group on Climate Change

The UK Government and The Prince of Wales's Corporate Leaders Group on Climate Change (UK CLG) both stand committed to reducing carbon emissions and supporting a rapid transition to a low-carbon economy.



The UK Government and The Prince of Wales's Corporate Leaders Group on Climate Change (UK CLG) both stand committed to reducing carbon emissions and supporting a rapid transition to a low-carbon economy. The Climate Change Act (2008) - a world-leading piece of legislation - has created a binding, legal pathway of emissions reductions, driving the decarbonisation of large parts of the UK economy. To follow this pathway and deliver on these goals there needs to be a dramatic increase in the supply of affordable low-carbon goods and services.

These goods and services are still not reaching the market at the pace, in the quantities and at the price needed, leaving customers with few options. Without a visible, credible and committed customer demand suppliers lack a key incentive to invest in developing the low-carbon products of the future.

The UK CLG and Department for Business, Innovation and Skills (BIS) have therefore joined forces to address this problem directly by bringing together major public and private sector customers in Procurement Compacts for new, 'low to zero carbon' goods and services. These Procurement Compacts demonstrate to potential suppliers that there is a substantial and organised market demand for cost-effective, low-carbon transport and catering, as well as for an increased supply of renewable biomethane for heat and power.

Our overall aim through this pioneering new initiative is to bring about the transition to a sustainable green economy. By sending a clear 'direction of travel' message to suppliers and by demonstrating real demand, this joint public-private sector initiative aims to create market opportunities for innovating companies and to help generate growth and jobs in the low-carbon economy.

This document is therefore a public statement of commitment to buying progressively lower carbon products. It issues a challenge to the supply chain to respond to that demand. The



signatories to the Procurement Compacts invite potential suppliers to participate in an open and constructive dialogue about how customers, suppliers and other stakeholders can work together to bring progressively lower-carbon goods and services into the market. Customers and their supply chain need to collaborate to develop the market for these products in a timeframe that reflects the UK's ambitious carbon reduction commitments.

The launch of these three Procurement Compacts from a group of committed customers signals the start of a process. Over the coming years we expect public and private sector purchasers to work together with supply chains and wider stakeholders, including central government, to set new standards and deliver progressively lower-carbon goods and services.

The Rt Hon Vince Cable MP
Secretary of State for Business,
Innovation and Skills

Neil Carson, CEO, Johnson Matthey
on behalf of The Prince of Wales's Corporate
Leaders Group on Climate Change



"All too often emerging technologies and innovative goods and services fail to make it to market, or do so only slowly because of the uncertainty of future sales. This is a barrier to progress. At a time of such rapid societal and environmental change we cannot afford such slow progress, and for good ideas to fall by the wayside."

Dr Jonathan Frost, Johnson Matthey
and Chairman of the BIS FCP
Programme Board

"Innovation is critical to the UK's future economic growth, prosperity and vital for the transition to a low- carbon economy. If the UK is to be competitive in the global economy, and tackle the challenges we face as a society, we need to become better at bringing new innovations to market. Further de-carbonisation of our fleet is an important enabler for BT in meeting our carbon reduction commitments and we are looking at low-carbon vehicle solutions as a key component to aid that delivery."

Gavin Patterson, Chief Executive, BT Retail

“A green economy has economic as well as environmental benefits. It can help UK businesses to manage the risks arising from fluctuating fossil fuel prices; increase resilience, in particular from the impacts of climate change; and seize the opportunities from emerging markets, both nationally and internationally. Furthermore, businesses across the economy can save money through increased energy and resource efficiency.”

Vince Cable, Secretary of State for Business, Innovation and Skills

Transforming the Market

There is a common ‘catch-22’ that hampers the commercialisation of low-carbon technologies: mitigating climate change requires new goods and services that are not yet commercially available or only available at excessive cost. Because they are not available, customers don’t ask for them; and because there is no demand, companies who try to innovate don’t have grounds for new investment.

As a result, low-carbon goods and services struggle to reach the market and customers have few options available to them.

That is why the UK CLG and BIS have joined forces to address this stalemate by harnessing customer demand to spur investment in urgently needed new, ‘low to zero carbon’ solutions through the use of joint public-private Procurement Compacts.

As major customers, by acting together the signatories of these Procurement Compacts demonstrate to potential suppliers that there is a credible and organised market demand for low to zero carbon goods and services.

The invitation to potential suppliers is to respond to this call, join the discussion, and motivate their supply chains to deliver goods and services fit for our lower-carbon future.

If there was a demand, we would invest to supply greener products

THE BUYER SUPPLIER PARADOX

If there were suitable and cost effective low-carbon alternatives available, we would buy them

There is a common ‘catch-22’ that hampers the commercialisation of low-carbon technologies

Courtesy of Heath Care Without Harm

“As one of the largest acute NHS Trusts in the country, we have an important duty in respect to climate change, to become ever more environmentally friendly and reduce our carbon footprint. Delivering healthcare more efficiently includes reducing our carbon intensity.”

Peter Homa, CEO, NUH

Government Procurement Service (GPS) is the largest Professional Buying Organisation in the public sector.

GPS is an executive agency of the Cabinet Office, delivering savings for the public sector and specifically delivering centralised procurement for Central Government.

Its role is to centralise, standardise and aggregate spend on common goods and services including energy, travel, fleet, office solutions, professional services, ICT, eCommerce, Communication Services and property & facilities management. Working with around 14,500 organisations in Central Government, Health, Local Government, Devolved Administrations, Education and the Not

for Profit sector, it estimates that approximately £8.0 billion of customer spend was managed through its procurement arrangements in the 2011-12 financial year.

GPS is committed to sustainable procurement and is working with suppliers, Defra, other Government Departments and the National Sustainable Public Procurement Programme (NSPPP) to deliver carbon reduction and to ensure procurement arrangements are aligned with policy developments and stakeholder requirements.

“Bringing the business supply chain together with stakeholders, as we are doing with the Procurement Compacts, demonstrates an urgent commitment to change and is a powerful catalyst for delivering a low-carbon future. As one of the first banks to introduce an Environmental Policy, and signatory to the Equator Principles, we are delighted to be a part of this important initiative. Being able to share issues and ideas with peers through the strength of this platform is a sure way to drive impactful change.”

John Maltby, Group Director, Commercial Banking,
Lloyds Banking Group

Government Procurement Service, is committed to delivering best value, commercial procurement solutions for customers across government and the UK public sector.

“The public sector needs to deliver cost-effective carbon savings and to support this we need to make sure that innovative low-carbon solutions for goods and services are available. Transition to a low-carbon economy needs us to look beyond business as usual approaches and start working with our suppliers to create the market conditions that stimulate investment in innovative low-carbon goods and services. These proactive procurements will encourage supplier innovation.”

David Shields, Managing Director, Government Procurement Service



Public-Private Procurement Compacts

This document launches three Procurement Compacts signed by both public and private sector organisations in areas where progress to the transition to ever lower-carbon goods and services is urgently needed: transport, biomethane for heat and power, and catering.

These Procurement Compacts are a new idea, borne of the need to make more rapid progress to de-carbonise the day-to-day operations of business and public service, and a degree of frustration that the goods and services needed to achieve this are not available on the market, are too expensive, or are unsuitable.

The aim of the Procurement Compacts is two-fold, to:

- send a ‘direction of travel’ message to suppliers from some of their major public and private sector customers that there is a credible market demand for low to zero goods and services and;
- initiate a dialogue with the supply chain and other stakeholders on how carbon emissions resulting from the manufacture, supply and operation of the products and services we buy can be progressively reduced.

What are Procurement Compacts?

These Procurement Compacts are a statement of commitment of public and private sector customers to buy progressively lower-carbon goods and services providing they meet operational needs and can be delivered cost-effectively.

This will give suppliers the opportunity to differentiate their offering on the basis of environmental credentials that are valued by the buyer, and represents a forward commitment by customers for low-carbon alternatives.

The Procurement Compacts provide a means to bring together and make visible a previously fragmented demand for lower-carbon goods and services in a way that provides a strong and credible ‘direction of travel’ message to suppliers from some of their major customers, thus stimulating providers to align their supply chains to low to zero carbon objectives.

"In Birmingham, we have set a direction of travel towards becoming a 'smart', 'green' and 'entrepreneurial' city. These Procurement Compacts provide a great platform for a local authority like Birmingham to signal our commitment to procuring progressively lower-carbon goods and services, so that we can achieve our 'greenprint' for growth."

Sandy Taylor,
Head of Climate Change and Sustainability,
Birmingham City Council

"I welcome this important initiative from the Department for Business, Innovation and Skills to support the development of a public procurement culture that both stimulates innovation in the economy and helps government to meet its future needs and ensure better value for money for the taxpayer. SMEs are a great source of innovation and value so this initiative fits very well with the government's ambition to see more public sector business going to SMEs."

Stephen Allott,
Crown Representative for SMEs

Public-Private Procurement Compacts



Low to Zero Carbon Transport
Heat and Power from Renewable Biomethane
Towards Zero Carbon Catering

“We have made important strides in reducing the carbon footprint of our current fleet framework, but more operationally viable options are urgently needed. This Procurement Compact provides an important focus for both customers and the supply chain to work together to bring progressively lower-carbon vehicles to the market in a cost-effective way.”

Steve Duckworth,
Head of Sourcing & Category Management -Travel & Fleet,
Government Procurement Service

In 2014 Government Procurement Service will be tendering for replacement vehicle purchase, lease and hire frameworks with a potential value of £800 million and will be looking to deliver ever lower-carbon solutions to its public sector customers.

BT operates one of the largest fleets in Europe with around 26,000 commercial vehicles and 6,000 company cars which produce annual carbon dioxide (CO₂) emissions of approximately 100,000 tonnes.

“It is inevitable the fleet of the future will involve a portfolio of powertrains that will closely align to both a business ‘operational, and consumers’ lifestyle needs. Whilst the current scepticism and reluctance to relinquish fossil fuels is starting to loosen, we are confident that consumers’ understanding of technological and environmental benefits will increase and translate into longer-term demand for the emerging plug in technologies. We believe that we are stepping out into a new fleet arena where there will be far more options for fleets to reduce their environmental impact.”

Chris Chandler, Senior Fleet Consultant,
Lex Autolease

The signatories of this Procurement Compact seek to demonstrate to the supply chain that there is a credible customer demand for low to zero carbon transport.



Low to Zero Carbon Transport

This Procurement Compact articulates a market demand for vehicles that can provide a clear path to zero carbon emissions, while meeting our needs for rapid refuelling times and long range. In doing so, we hope to support the investment by suppliers to develop the vehicles, the fuel, and fuelling infrastructure required.

The customers involved in this Procurement Compact have a common story. We need to decarbonise our fleet operations and to this end have introduced a range of carbon reduction measures and experimented with alternative vehicle technologies such as Battery Electric

Vehicles. We welcome these technologies and the incentives that support them, e.g. the Plug-in Van Grant. However, a range of technologies are needed if we are to accelerate progress towards the long-term aim of zero carbon in a way that is practical for our fleets.

Our fleets can provide suppliers with a point of entry into the consumer automotive market, which is under ever-growing pressure to decarbonise. The vehicles we buy include delivery, service and maintenance vehicles and also cars that are required to do more than 100 miles of range.

“The various measures that we have implemented to date are not enough. If we are to maintain progress we will need to exploit every opportunity and ensure that all forms of transport initiatives are fully investigated and supported at the key stages.”

Steve Watson, Senior Innovation and Design Specialist, BT Fleet

Signatories to the Low to Zero Carbon Transport Procurement Compact

Anglian Water
Bedford College
Birmingham City Council
BSkyB
BT
EDF Energy
Government Procurement Service

Johnson Matthey
B&Q
Lex Autolease
The Rotherham NHS Foundation Trust
Wakefield and District Housing (WDH)
Wiltshire College

"Currently there are few viable commercial vehicle alternatives to using biodiesel that match our requirements. Our internal focus is on van efficiency and the use of Telematics to reduce emissions. Although this and other measures are having a positive impact in reducing emissions we are conscious that they will not deliver the reductions we need. New options are required."

Lois Trailor, Head of Fleet & Operations, BSKyB

Wiltshire College operates over a multi-site campus covering a 50 mile radius and in 2010/11, and 9% of its carbon emissions were transport related.

BSkyB continue to actively seek low carbon fleet vehicles. BSKyB leases 2,500 medium vans, and with the next tender due in 2014 it would like to see suppliers coming forward with a clear path to progressively increase the proportion of its fleet to ever lower carbon alternatives.

WDH has investigated opportunities for biodiesel and electric vehicles but has been unable to source a cost-effective solution with comparable performance to diesel-fuelled vehicles.

"We believe by working together, with our co-signatories, we can show suppliers and developers of low-carbon transport solutions and biomethane the demand for their products and will help to bring them to market faster."

Kevin Dodd, Chief Executive, WDH

Low to Zero Carbon Transport Procurement Compact

“We, the signatories of this Procurement Compact, share a medium-term requirement for vehicles that have long-range, rapid-refuelling times and progressively lower-carbon emissions leading to the credible prospect of zero carbon emissions for a variety of business uses. In an effort to decarbonise our transport operations we have introduced a number of initiatives. Having explored the possibilities of Battery Electric Vehicles, we believe they have a role to play, but we have found that they do not have sufficient range and refuelling capabilities for a significant proportion of our fleets. This includes our delivery, service and maintenance vehicles, as well as for cars that are required to do more than 100 miles of range without time for a lengthy recharge.

Consequently, we have an unmet requirement for vehicles that offer range and refuelling times comparable to conventional combustion engine vehicles, and deliver in the first instance least a 50% reduction of carbon dioxide emissions over comparable petrol vehicles on a well-to-wheel basis.

Furthermore they must deliver progressive well-to-wheel improvements over time and must have a clear pathway to becoming fully zero carbon in the future. In the light of increasing pressure to improve air quality in towns and cities, we will also value progress towards zero tail pipe emissions.

The price and performance must be competitive with conventional vehicles on a whole life basis. We are however aware that if these alternatives are to be a viable

addition to our vehicle fleets an appropriate refuelling infrastructure needs to be in place. We therefore have a corresponding requirement for the provision of low-carbon fuel and fuelling infrastructure for our future fleets, and again with a view to becoming zero carbon in the future.

The purpose of this Procurement Compact is to demonstrate to the supply chain that there is a credible customer demand for low-carbon transport on a scale that justifies investment by suppliers of vehicles and fuel, and the development of an associated fuelling infrastructure. Our fleets can provide these suppliers with a point of entry into the consumer automotive market, which is also under ever-growing pressure to decarbonise.

This Procurement Compact states our common commitment to incorporate progressively tighter standards in future vehicle procurements, to incorporate these terms in future Requests for Quotes and tenders, and evaluate supply chain offerings on the extent to which they meet this requirement. The publication of this Procurement Compact launches a period of consultation with the supply chain; we are calling on the vehicle supply chain to propose low-carbon vehicle solutions to meet our requirement, and to clarify the associated needs regarding the fuel and fuelling infrastructure.

As customers we wish to play an active role in transforming the market to meet our requirement, which is shared by many organisations in both the private and public sectors.”

Invitation to suppliers - call for expressions of interest

Suppliers and stakeholders are encouraged to participate here www.cpsl.cam.ac.uk/procurement or further information can be provided at UKprocurement@cpsl.cam.ac.uk.

“We would like to increase our use of renewable fuel for onsite heat and power generation. CHP is an ideal way to generate heat and power for healthcare facilities. What the healthcare sector really needs is a reliable, low-maintenance, and flexible CHP solution fuelled from renewable sources such as biomethane.”

John Cartwright, Director of Estates and Facilities,
The Rotherham NHS Foundation Trust

The government, through the energy trading function within Government Procurement Service (GPS), buys approximately £1.5 billion of energy every year. GPS is looking to increase the proportion of this energy requirement from renewable and / or alternative sources, in the short and longer terms.

“Energy costs to Central Government are forecasted to rise sharply from their current level of £600 million in the next 10-15 years. In order to mitigate this future price increase, we need to fundamentally change the way we use and buy energy.”

Chris Lane, Head of Sourcing & Category Management Energy,
Government Procurement Service

“In making a forward commitment through this Procurement Compact we hope to act as a catalyst for investment in new biomethane production.”

Claire Manning, Head of Business Development, Energy,
Government Procurement Service

“As Europe’s busiest airport, Heathrow is committed to enhancing the social and economic benefits it brings while reducing its environmental impacts. In terms of our infrastructure, we have set ourselves a challenging target to reduce CO₂ emissions from energy use by 34% by 2020 compared with 1990 levels. Heat and power that is based on technically and commercially competitive renewable biomethane can play an important role in delivering against our target and we are therefore pleased to support this groundbreaking initiative.”

Dr Graham Earl, Head of Climate Change, BAA

The signatories of this Procurement Compact share an unmet need for cost-effective, decoupled renewable biomethane.



Heat and Power from Renewable Biomethane

This Procurement Compact articulates a market demand for renewable biomethane that can be used to generate cost-effective heat or power in urban buildings remote from biomethane generation.

The customers involved in this Procurement Compact all wish to increase the use of renewable fuel to provide heat and power to their buildings. We have adopted or explored use of existing solutions such as photovoltaics (PV) and wind turbines but these can only address a small proportion of our needs and can be difficult to deploy, for example when our properties are located in urban areas.

We are calling on the supply chain and stakeholders to enable the progressive expansion of the use of sustainably produced biomethane as a renewable fuel for onsite heat and power.

We have identified that biomethane could make an important contribution to our renewable energy requirements if its use could be decoupled from its point of generation using the gas grid. In this way biomethane, generated in rural areas could be transmitted through the gas grid to provide renewable fuel for heat and power at our properties.

“Renewable biomethane supplied through the gas grid would provide a step change in the delivery of sustainable energy to BT. By giving a forward commitment to buy renewable biomethane we aim to stimulate additional production that we can access via the national gas network to fuel our buildings.”

Robert Williams, Head of Renewables, BT

Signatories to the Heat and Power from Renewable Biomethane Procurement Compact

Anglian Water	B&Q
BAA	Nottingham University Hospitals NHS Trust
Bedford College	Philips
Birmingham City Council	Thames Water
BT	The Rotherham NHS Foundation Trust
EDF Energy	Wakefield and District Housing
Government Procurement Service	Wiltshire College
Johnson Matthey	

“Biomethane from renewable sources can make an important contribution to cutting carbon and meeting renewable targets here in the UK, as well as helping to spur on green growth. Government is working to help develop this sector by tackling the financial and technical barriers to producing biomethane and injecting it into the national grid. This initiative is another big step forward to help this resource reach its full potential.”

Greg Barker, Minister of State for Energy and Climate Change

BT is one of the top 10 energy consumers in the UK, with gas consumption of around 300GWh or 27 million cubic meters of gas every year. Generation using biomethane would help BT to significantly reduce its carbon footprint and could involve the use of more than 30million cubic meters of biomethane every year, on top of existing consumption.

“We hope that by supporting the Procurement Compact that potential suppliers of goods and services will feel confident to develop new offers/approaches to manage and exploit the potential of biomethane. For Thames Water the compact is more than just being about technology and simply refining what the market currently offers; it is also potentially about encouraging new approaches and business models to delivering service and outcomes. The solutions may look at specific parts of the value chain or may seek to handle the whole value chain from feed stock through to use by customers.”

**Dr Keith Colquhoun, Climate Change Strategy Manager,
Thames Water Utilities Ltd**

Heat and Power from Renewable Biomethane Procurement Compact

"We, the signatories of this Procurement Compact, represent a broad group of companies and organisations which occupy, manage and develop commercial buildings. We each have our own commitments to reducing carbon emissions arising from our operations (particularly our buildings) and many of us share a further need to reduce operational carbon emissions as a result of other UK policies.

Existing solutions for onsite renewable energy generation, such as PV and wind turbines, can only address a fraction of our needs and can be difficult to deploy, for example when our properties are located in urban areas where there is limited space.

We have identified that biomethane could make an important contribution to our renewable energy requirements if its use could be decoupled from its point of generation using the gas grid. In this way, biomethane generated in rural areas could be transmitted through the gas grid to provide renewable fuel for heat and power at our properties.

We would enter into contracts for additional new biomethane production with suppliers provided we can decouple biomethane generation and

use in this way. We believe this will create an important market pull that will open up new business models as well as technology options and justify more investment in biomethane generation. These demand-side market measures complement the supply-side cost-relief measures such as the Renewable Heat Incentive, which would be unaffected by this proposal.

It will help us meet our respective carbon targets, it will create liquidity in the biomethane market, increase the production of biomethane in the UK, and thus deliver a significant contribution to the UK's 2020 Renewables Target.

The publication of this Procurement Compact launches a period of consultation with the supply chain. We are calling on the supply chain, both suppliers of AD gas and technology providers, to propose how our requirement might be met and highlight perceived barriers to their delivery.

We have an urgent requirement for cost effective onsite renewable heat or power from biomethane and will support, where appropriate, the progressive expansion of the use of sustainably produced biomethane as a renewable fuel for onsite heat and power."

Invitation to suppliers - call for expressions of interest

Suppliers and stakeholders are encouraged to participate here www.cpsl.cam.ac.uk/procurement or further information can be provided at UKprocurement@cpsl.cam.ac.uk.

“We have been working with our suppliers to drive down carbon emissions in our supply chain in general but we’d now like to focus in on our catering solutions as this is an area where we recognise we can make some significant carbon reductions. With over 80 office locations with a catering offering, we have an opportunity to make a real difference and are delighted to be part of this initiative.”

Chris Newton, Facilities Management Director Lloyds Banking Group

The total energy consumption of Britain’s catering industry is estimated to be in excess of 21,600 million kWh per year. Over 30% of the energy is used in purely commercial catering establishments, with another 17% in hotel restaurants and guest houses and more than 50% in non-commercial catering such as schools, hospitals and Ministry of Defense organisations.

“The signatories of this compact wish to engage with all those involved in the food and drink industry, be they producers, manufacturers, wholesalers, retailers or food service providers, to arrive at practical and effective ways to reduce the carbon footprint of our catering supply chain and operations.”

John Hughes, Catering Manager,
Nottingham University Hospitals NHS Trust

The signatories of this Procurement Compact are seeking a step change reduction in the carbon emissions resulting from the manufacture, supply, transport and operation of our catering activities over the next 5 years, and beyond.



Towards Zero Carbon Catering

This Procurement Compact articulates a market demand for progressively lower-carbon catering goods and services. We wish to initiate a dialogue with the supply chain and other stakeholders on how carbon emissions resulting from manufacture, supply and operation of catering services can be progressively reduced in future contracts.

While it is clear that both the supply chain and customers have taken major strides to improve the sustainability of their goods and services, the focus has predominately been more generally on sustainability and waste as opposed to reducing carbon emissions

arising from catering operations. Yet the carbon emissions arising from the manufacture, supply, transport and operation of catering services represents a significant proportion of an organisations carbon footprint.

With moderate improvements in efficiency, and effective use of equipment, savings of up to 20% are achievable, leading to an overall saving of over £80 million per year (reducing national energy consumption by over 4000 million kWh per year).

The signatories of the Procurement Compact have different approaches to the deliver of their catering operations but essentially they fall into two categories:

1. A fully managed catering service, where the customer simply provides a footprint from which the contractor operates. The contractor manages the supply chain through sub-contracts to deliver meals on the table.

2. A partial service, where the customer procures one or more of the elements that make up a catering service from one or multiple suppliers, including;

- Food goods
- Transport and logistics
- Kitchen equipment
- Vending equipment
- Maintenance of equipment
- Preparation services
- Waste management
- Cleaning and hygiene

For the purpose of this Procurement Compact, catering is defined as:

All the activities involved in providing refreshments and meals for offices and restaurant facilities in the workplace and at institutions (such as schools and hospitals) - ie the sourcing and supply of food goods , logistics and transport, supply and maintenance of cooking equipment, waste management, food preparation and use of water and energy.

Signatories to the Towards Zero Carbon Catering Procurement Compact

Bedford College

BT

BSkyB

EDF Energy

Government Procurement Service

Johnson Matthey

B&Q

Lloyds Banking Group

Nottingham University Hospitals NHS Trust

The Rotherham NHS Foundation Trust

Wiltshire College

Government Procurement Service recently commenced a tendering exercise for a new commercial catering equipment framework agreement, which included the need for suppliers to consider how the Procurement Compact commitments could be delivered.

"To deliver a truly zero carbon catering operation requires further work by all our catering suppliers and we see this initiative providing a kick start to doing just that!"

Chris Newton, FM Director,
Lloyds Banking Group

Bedford College's training restaurant, Skyline, is a member of the Sustainable Restaurant Association (SRA), a worldwide group which encourages venues to source food in a way that protects the environment, treats producers fairly and maximises benefits for local communities.

Around 9 per cent of Greenhouse Gas (GHG) emissions in the UK food chain are attributed to commercial transportation of food for UK consumption.

Wiltshire College has over 1,000 staff, 5,000 full time students and 3,000 part time students and we cater for approximately 4,000 people per week.

"Sustainable procurement is high on the agenda for the public sector. A key approach is procuring products which have progressively lower environmental impacts over their lifecycles. This includes taking measures to stimulate and reward the supply chain in their efforts to reduce carbon emissions across the whole life cycle of products, from production and manufacture, through distribution and use, to end of life management."

Paddy Howlin, Head of Sourcing and Category Management - Property, Government Procurement Service

Towards Zero Carbon Catering Procurement Compact

“We, the signatories of this Procurement Compact, share a common commitment to a step change reduction in the carbon emissions resulting from our catering activities over the next five years. While it is clear that catering companies and their customers have taken major strides to reduce the environmental impact of their catering operations, the focus has predominately been on sustainability and waste as opposed to low or zero carbon. While welcome, these are not sufficient to meet our ‘towards zero carbon’ aspirations.

To achieve this we will need to buy progressively lower-carbon catering goods and services; including the procurement of food goods, their transportation and distribution, the methods and equipment involved in food preparation, through to the management of food waste.

This drive ‘towards zero carbon’ will be reflected in the way we evaluate all future catering tenders. For example we will incorporate progressively tighter standards in our Requests for Quotes and tenders, and we will be selecting suppliers on the basis of their ability to deliver solutions that offer the lowest carbon impact while meeting all of our normal standards and costs.

The publication of this Procurement Compact launches a period of consultation with the supply chain; we are calling on the catering supply chain to propose ways in which they can deliver ever lower-carbon solutions to meet our requirements, and propose standards that will generate a move towards zero carbon catering over the next five years.

It is our intention to engage the supply chain in a dialogue regarding this requirement and to work with the catering supply chain to help them differentiate their product offerings with innovative, low-carbon solutions.

We are committed to actively pursuing a move to progressively lower-carbon catering goods and services that meet operational needs and whole life cost criteria and will make any necessary adjustments to procurement process such as including progressively tighter carbon standards in future catering procurements, Requests for Quotes and tenders, and include within the evaluation of supply chain offerings the extent to which they meet the ‘towards zero carbon’ requirement.”

Invitation to suppliers - call for expressions of interest

Suppliers and stakeholders are encouraged to participate here www.cpsl.cam.ac.uk/procurement or further information can be provided at UKprocurement@cpsl.cam.ac.uk.

“Early market engagement gives potential suppliers advance notice of their customers' future needs and direction of travel so that they have time to innovate and respond.”

Gaynor Whyles, BIS / UK CLG Innovation Procurement Consultant,
JERA Consulting Ltd.

“Climate change presents one of the biggest challenges for Anglian Water. As a result we are working successfully with our supply chain to develop low carbon solutions. With their help we are already delivering some major capital projects with an embodied carbon saving in excess of our 50% goal. The compacts provide another fantastic opportunity to collaborate with suppliers and others to meet - or even exceed - our ambitious carbon goals.”

Peter Simpson, Managing Director,
Anglian Water

“Information on our customers needs today, and even more helpfully their future needs, is what we suppliers need. This gives us time and motivation to invest and align our supply chains to respond. In addition an outcome based procurement approach rather than a specification driven approach helps to ensure real carbon savings.”

Bobby Collinson, Commercial Director,
PowerEfficiency



An Invitation to Suppliers

The market engagement process initiated by this document invites a response from suppliers and stakeholders and provides a framework for constructive dialogue to establish how best customers, suppliers, and other stakeholders can work together to help bring progressively lower-carbon goods and services into the market.

This market sounding takes the form of a number of questions to suppliers and stakeholders to gauge interest, appetite and capacity of the supply chain as a whole to deliver low to zero carbon solutions in response to the unmet needs identified by the customers.

Invitation to suppliers - call for expressions of interest

We invite the supply chain and stakeholders to propose how our requirements might be met. Please highlight perceived barriers to their delivery and suggest how customers, suppliers and stakeholders can work together to help bring to market lower-carbon goods and services. Help break down the barriers between customers and suppliers by expressing interest in supplying lower-carbon goods and services and participating in our short questionnaire.

1. Which Procurement Compact are you interested in?
2. What options are, or could be, available to meet the unmet need? In what timeframe?
3. What needs to be true or needs to change to speed up the transition to lower-carbon goods and services such as 'zero carbon' transport? Renewable biomethane? Zero carbon catering?
4. What can customers do to support this transition?
5. How helpful is a forward commitment to buy progressively lower-carbon goods and services such as those we have identified in the compacts?

Suppliers and stakeholders are encouraged to register their interest and complete this short questionnaire at: www.cpsl.cam.ac.uk/procurement or further information can be provided at UKprocurement@cpsl.cam.ac.uk.

Responses are welcomed and encouraged from all parts of the supply chain. We would particularly encourage participation from SMEs.

Early supplier engagement is recognised as best practice in procurement, particularly where there are new requirements that may require innovative solutions, or where currently available solutions cannot deliver the required outcomes.

The first step: Market Sounding

Market sounding is a way of assessing the reaction of the market to a proposed requirement and procurement approach, in order to bring supplier perspectives to public sector procurements at an early stage. It offers benefits to both the market place and the procuring organisation. The objectives of the exercise are to communicate a specific requirement to the market and provide a framework and mechanism for the supply chain to respond.

The responses will be analysed as a whole and a summary will be made available to all those that responded. The market sounding is not a pre-qualification nor will responses from individual companies be evaluated in relation to any procurement exercise.

The second step: Market Consultation Workshops

We will organise a market consultation process for each of the Procurement Compacts to bring together customers, suppliers and stakeholders to discuss the requirements and the supply chains response and explore in

more detail what is needed to deliver progressively lower-carbon solutions. Joint public-private steering groups will plan and organise the market consultation process for each Procurement Compact.



THE PRINCE OF WALES'S

UK CORPORATE LEADERS GROUP ON CLIMATE CHANGE
UNIVERSITY OF CAMBRIDGE PROGRAMME FOR SUSTAINABILITY LEADERSHIP

The Prince of Wales's UK Corporate Leaders Group on Climate Change (UK CLG) was established in 2005, bringing together some of the UK's largest businesses from across sectors to articulate their belief that there is an urgent need to develop new and longer-term policies for tackling climate change as a strategic objective for UK plc. The group's mission statement is to "trigger the step change in policy and action

needed both to meet the scale of the threat posed by climate change, and to grasp the business opportunities created by moving to a low-climate-risk economy."

The UK CLG has been developed and is managed by The University of Cambridge Programme for Sustainability Leadership on behalf of HRH The Prince of Wales.

BIS | Department for Business Innovation & Skills

The Department for Business, Innovation and Skills (BIS) works with the Cabinet Office to develop a public procurement culture that both stimulates innovation in the economy and helps the public sector to meet its future needs at better value for money for the taxpayer.

BIS, in partnership with other public sector partners, has supported a number of successful Forward Commitment Procurement (FCP) projects. FCP focuses on creating a credible,

articulated demand for innovative goods and services to deliver better public services. Through the Technology Strategy Board the Government operates the Small Business Research Initiative (SBRI) programme, a mechanism to enable innovation in products and services through the public procurement of R&D. The SBRI helps public sector organisations connect with innovative, technology-based companies, to develop solutions to specific public sector challenges and needs.

The University of Cambridge Programme for Sustainability Leadership (CPSL) works with business, government and civil society to build leaders' capacity to meet the needs of society and address critical global challenges. Our seminars and leadership groups and our partnerships with those who make or influence decisions are designed to transform public and private sector policies and practices and build greater understanding of our interdependence with one another and the natural world. Our Network of alumni brings together the most influential leaders in the world who share an interest in and a commitment to creating a sustainable future.

CPSL is an institution within the University of Cambridge's School of Technology. We work in close collaboration with individual academics and many other departments of the University. HRH The Prince of Wales is our patron and we are also a member of The Prince's Charities, a group of not-for-profit organisations of which His Royal Highness is President.



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In the UK

1 Trumpington Street,
Cambridge CB2 1QA, UK
T: +44 (0)1223 768854
F: +44 (0)1223 768831
E: info@cpsl.cam.ac.uk

In Brussels

48 rue de Stassart
1050 Brussels
T: + 32 (0)2 894 9320
E: info.eu@cpsl.cam.ac.uk

In South Africa

PO Box 313
Cape Town 8000
T: +27 (0)21 469 4765
E: info.sa@cpsl.cam.ac.uk

www.cpsl.cam.ac.uk