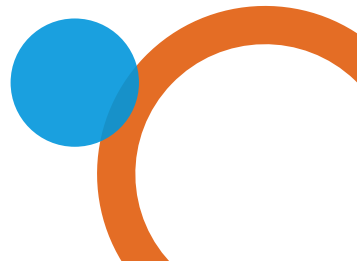




Evaluation of Model Question Trial



Trial Concept and Structure

During 2024 NSS National Procurement (The Authority) undertook a trial around the use of a set of product climate questions, ('The model questions') intended for use in the evaluation of tenders.

These were trialled as the first step of mandating environmental sustainability questions into all product tenders in NHS Scotland. They were created in recognition that The Authority procured a wide range of products and services but didn't have the available resources and expertise to evaluate the relative merits of individual supplier climate change activities at that time. As such the question was not bespoke to commodities, but rather provided a question which would allow rapid adoption into all commodities.

The intent was to apply these to non-food consumable product commodity frameworks where a lot, or single line award value (such as generic frameworks) exceeds £250k annual value for that lot or single line award.

Exclusions: services, negotiated without advert and capital equipment purchases were excluded from this specific model question. It was agreed that, for the initial 6-month trial, that medicines were also be excluded from scope.

The questions were to be trialled across 5 Frameworks in scope during trial period (1st December 2023 – 31st May 2024)

Framework	Category Team
NP56823 Urinary Catheters & Drainage Bags	Paramedical
NP67524 Neurological Devices and Supporting Products	Medical Surgical
NP50924 Minimally Invasive Surgical Products	Medical Surgical
NP59424 Supply of Sterile Procedure Packs and Supplementary Items	Paramedical
NP57324 Hand Hygiene Products	Estates and Facilities

[NP59424 Supply of Sterile Procedure Packs & Supplementary Items](#) was delayed due to market circumstances and no longer included in the trial to maintain time limits around evaluation and overall programme delivery.

Other planned frameworks did proceed however, time delays meant that the trial lasted until the end of August 2024 in entirety.

The following four tenders were included with the response rate as shown below:

Framework	Percentage of Model Question Responses
NP67524 Neurological Devices and Supporting Products	100%
NP50924 Minimally Invasive Surgical Products	100%
NP56824 Urinary Catheters & Drainage Bags	58%
NP57324 Antiseptic Solutions and Hand Hygiene Products	69%

The Questions

The questions aimed to provide a level foundation for companies to demonstrate what they were doing / or intended to do to mitigate environmental impact relating to their primary product* in the tender.

They were:

- A. How do you incorporate climate change considerations into your product development and manufacturing processes? Please describe the processes and procedures in place to avoid harmful environmental impacts.
- B. Explain your approach to mitigating harmful environmental impacts in your product sourcing and distribution activities. Focus on the distribution chain from manufacturing to the end customer, including design and its contribution to mitigating impacts in sourcing, transport, logistics, and storage.
- C. How do your product design processes mitigate associated harmful environmental impacts? This question aims to understand the standards in place to minimize impacts throughout the product or service life cycle, such as changes in materials to support reuse or circular economy initiatives.

**The 'Primary product' is the one offered that represents the highest proportion of the forecasted value over the Framework's life.*

Guidance notes were made available on the sustainability action website and indicated that the question was for information only. Importantly it also offered the guidance: '**Important:** If you outsource any of these processes, answer the question as if the processes were in-house.'

Responses

General feedback: Suppliers welcomed the inclusion of sustainability criteria in tender evaluation, however thought that this should be more tailored to the specific commodity. There was a preference for an approach that mitigated additional workload by requesting information that would be required by other procuring bodies or through legislative requirements.

Alignment to use Evergreen (NHS England's tool), and the Modern Slavery Assessment Tool (MSAT) was referenced as a suitable next step to standardise approach in UK, although to be clear these approaches are for selection criteria only whereas the model question is focused on award criteria. Any alignment with international requirements for larger companies was also deemed to be welcome, but it was noted that this would impact sole UK suppliers or SMEs. Some companies were considering, or in the initial stages of determining the lifecycle carbon of their products and suggested this be suitable for future evaluation.

In regards of question responses, most suppliers attempted to answer the model questions. The answers varied in quality and detail however some common observations were noted:

- Distributors felt that they were unable to answer the question as they did not manufacture the goods, even though value chain was a clear element of the question. This could also be the case for bespoke questions if we do not tailor them in a way that a distributor could provide information. Careful pretender strategy and potential query through PIN may mitigate some of this. Many manufacturers sent sustainability policies or Carbon reduction Plans (CRP) rather than answer the question/s, articulated question specifics should mitigate this as granular details would not be expected in CRP.

- Responders often failed to link their answer to the primary product – though in some cases we noted some spectacular innovative initiatives to tackle climate change by suppliers, but these were not connected to the value chain of their product. Bespoke queries will clearly identify specific product value chain details required
- Procurement staff felt questions were difficult to answer, particularly where dates weren't clear or where data validation methods were unclear. Increase in the granularity of detail, especially where clear criteria is established in publicised standards or guidance should provide clearer scoring frameworks.
- Some of the highest scoring responses were the briefest – only one or two paragraphs.
- Many companies sent various attachments cross linked which were unclear as to how they related to the products they proposed to supply. There will be potential for this with bespoke questioning, however quicker exclusion / scoring as non-relevant should be viable.
- The marking of the questions was resource demanding on procurement staff due to the lack of specific criteria, this also led to some interpretation of response aspects. Scoring linked to specific product criteria should facilitate quicker and more definitive scoring of responses.
- Most companies failed to link their answer to a specific period, but more commonly could not evidence with robust data. Suppliers are, hopefully, more likely to be able to define specific information regarding distinct environmental considerations linked to commodity type.
- Most respondents scored poorly irrespective of sustainable achievements due to a lack of quantitative data relating to their primary product. Tailored questions around wider product sustainability should query data specifics where these should be known by manufacturers.

Assessment

Whilst the responses included in the framework provide only a subset of suppliers, the clear patterns in responses provide some confidence in strengths and weaknesses of our approach. The current questions facilitated a generic response which could be tailored to the products but did not consider the wider environmental considerations specific to that commodity, whether that be ethical welfare in the country of origin, use of pollutants to watercourses in production processes or similar.

Innovation linked to product may not have scored well with the scoring mechanisms for the questions if robust data evaluation was not available to support initiative. Beyond this, companies that were early adopters of sustainable practise scored no more than those starting to make required changes. In some cases, they were disadvantaged if changes had been made three years prior to present and / or did not have the data linked to the change benefits.

The authority recognises the need for tender evaluation to be proportionate, relevant, and equitable. As such bespoke commodity aligned questions are deemed to be a suitable approach to expand on. Several aspects in relation to this approach are under consideration and will be articulated for communication beyond this trial. Further discussions with Industry partners and suppliers support the benefits of a more tailored approach, citing the benefits of devolved nation alignment on aspects such as the mandatory registration on Evergreen.

Recommendations

It is recommended that the Authority consider a refined and tailored approach to sustainability questions in procurement.

Benefits:

- A commodity specific approach allows for questions to be asked around known prevalent environmental risks specific to those products. E.g. use of chlorine and amount of water in the manufacturing of paper products. Scoring on these aspects would be acceptable where fair competition is maintained. Better scores for better environmental practices may help to drive a holistic market change.
- Suppliers working in these industries are increasingly likely to be able to demonstrate their awareness and adherence to emerging improvements and technologies specific to the commodities that they are marketing.

Discounted options

Inclusion of more generic but defined environmental criteria such as ISO 14001 and Lifecycle Assessments are beneficial, but only in relation to adoption of their principles or key recommendations. Accreditation to these standards is likely to be unachievable for SMEs or complex organisations, due to resource profiles.

Lifecycle assessments were considered however are in their infancy when considering the wider market. The Authority are aware that Lifecycle assessment for products lack structured international approach currently, are resource heavy and require training for procurement staff to support evaluation. Whilst this would provide clarity for purchasers looking to lower carbon impact in frameworks, there is a high potential that this could make it harder for SME's or large portfolio provider companies to compete as these methodologies are still in development.

Next Steps

- 1 A strategic approach will be outlined for focus of sustainable criteria through prioritisation approach
- 2 Our consultation process will be used where more generic questions in tenders are to be considered for all activity.
- 3 Publish update on strategic approach to questions

These allow for engagement with suppliers and distributors as part of the process.