Decarbonisation through Procurement:

Decarbonisation Dashboard
Procurement Advice Note (PAN)
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Annex 1 – Atamis Decarbonisation Dashboard - Quick Start Guide
1. Introduction

**POINTS TO NOTE – please ensure you read this section first**

- The information set out in this document is not legal advice and is not intended to be exhaustive – contracting authorities should seek their own independent advice as appropriate. Please also note that the law is subject to constant change and advice should be sought in individual cases. This document reflects the position as at March 2020

Any queries relating to this Procurement Advice Note should be directed to the Value Wales Policy mailbox VWPolicy@gov.wales

1.1 Purpose of this document
To signpost Welsh Public sector bodies to the Decarbonisation Dashboard built into the Atamis spend analytics solution (User guidance is at Annex 1) to enable the analysis of Carbon dioxide equivalent (CO2e\(^1\)) intensity of their expenditure. This information can be used to identify high emitting areas to inform the development of decarbonisation action plans.

1.2 Dissemination and Scope
This PAN should be brought to the attention of all personnel with an interest in managing procurement planning and contract management, including those responsible for actions to mitigate the impact of CO2e Green House Gas emissions contribution to Climate Change or responsible for reducing the carbon footprint of public sector bodies in Wales.

2. Background
The ‘Decarbonisation Dashboard’ has been developed in response to:

- A recommendation of the *Decarbonisation Ministerial Task & Finish Group*, to analyse the £6.4bn annual public procurement spend to identify and prioritise categories of expenditure with high CO2e impacts for immediate action, and

- Actions set out in *Prosperity for All: A Low Carbon Wales*, to provide tools and guidance for the public sector in Wales to support actions to reduce their CO2e emissions.

While procurement has a role in the decarbonisation of all organisational activities including scope 1 & 2 emission sources linked to the organisations own estate / internal operations, the Decarbonisation Dashboard has been developed specifically to support actions to address Scope 3 sources.

\(^1\) CO2e = Carbon dioxide equivalent, is a term for describing different greenhouse gases in a common unit. For any quantity and type of greenhouse gas, CO2e signifies the amount of CO2 which would have the equivalent global warming impact.
Scope 3 emissions arise from *activities of the organisation, occurring from sources that they do not own or control*, i.e. those linked to procurement expenditure with contractors, suppliers or service providers and typically account for the majority of an organisation’s total emissions. For example, through their [Carbon Positive Project](#), Natural Resources Wales (NRW) – estimated that 59%\(^2\) of their emissions were associated with Scope 3 sources in the supply chains for purchased goods, services and works.

**Green House Gas (GHG) Protocol Scope 1, 2 & 3 emission sources**

3. **Decarbonisation Dashboard**

The Decarbonisation Dashboard has been built into the Atamis spend analytics solution to enable analysis of Carbon dioxide equivalent CO\(_{2}\)e intensity against expenditure (User guidance is at Annex 1) as a starting point for decarbonisation action planning. It is designed to produce a high level picture of an organisation’s high CO\(_{2}\)e Scope 3 activities using procurement expenditure as a standardised measure.

To supplement the output of the Decarbonisation Dashboard, where actual consumption can be established a more accurate assessment of CO\(_{2}\)e emissions may be calculated using the ‘[Government emission conversion factors for greenhouse gas company reporting](#)’ published annually by BEIS (UK Government’s department for Business, Energy and Industrial Strategy).

\(^2\) [Carbon Positive Project – Summary report (January 2018, NRW)](#)
The Decarbonisation Dashboard follows the approach used by NRW in their *Carbon Positive Project*, using the DEFRA75 CO2e intensity factors per £ for 75 categories of expenditure. Atamis have mapped the 75 categories to as many of the expenditure lines in the current Atamis system as possible.

The specific purpose of the Decarbonisation Dashboard is to help public sector bodies:

- To assess Scope 3 emissions in their supply chains
- To identify and prioritise high carbon emitting categories of expenditure.
- To identify suppliers of those goods and services in high emitting categories.

### 3.1 Caveats

- The Decarbonisation Dashboard data is only a starting point for further investigation into high emitting categories as:
  - It uses the 75 ‘carbon intensity factors’, of the DEFRA75 (2009) categorisations providing a Kg CO2e value per £ spent, against the spend data for the base year of 2018-19. There will be instances (i.e. electricity generation) where due to improvements made since 2009 the carbon intensity factor will have improved. In these instances and or where actual consumption ‘activity’ data can be established a more accurate assessment of CO2e emissions may be calculated using the ‘Government emission conversion factors for greenhouse gas company reporting’ published annually by BEIS (UK Government’s department for Business, Energy and Industrial Strategy).
  - Applying the DEFRA75 standardised CO2e intensity factor per £ procurement expenditure does not differentiate between the ‘quality’ of the procurement decisions; For example, the Decarbonisation Dashboard applies the same carbon intensity factor for £1m spent on diesel vehicles as it would for £1m spent on electric vehicles even though the outcomes in terms of CO2e emissions would be very different.

- The spend data used in the Decarbonisation Dashboard is categorised by public bodies and classified by Atamis, Welsh Government’s expenditure analysis provider against one of the DEFRA75 category factors.
4. How to use the DD outputs to plan actions

PLEASE NOTE:
Further engagement will be undertaken with Welsh Public Sector organisations to co-develop specific methodologies to build in CO2e emission reduction into procurement activity.

The information provided below are basic areas that should be considered when planning for CO2e emission reduction.

4.1 Influence over the market – How much do you spend?
A useful indicator of the level of influence a public sector body may have to shape the market to consider CO2e reduction, is the value of procurement spend in a category of expenditure. Where the value of an organisation's expenditure (in its own right) is unlikely to influence the market, consideration should be given to aggregation of demand through collaborative procurement with other public sector organisations in your sector, locality, sub-region or across Wales.

In addition to the value of expenditure, other opportunities to influence / shape the market could be through early pre-market engagement, highlighting the organisation's commitment to the reduction of CO2e. Where an agreement is already in place, CO2e reduction could be discussed as part of the on-going contract management with incumbent suppliers, contractors or service providers. The following 'Scope to do more' section suggests some things to consider and potential intervention points.

4.2 Scope to do more

4.2.1 Current level of contract activity in priority CO2e categories?
First, determine the contractual arrangements already in place which cover expenditure in your organisation's high priority CO2e categories and whether they already include requirements to reduce CO2e.

4.2.2 Do current contractual arrangements already in place include requirements to reduce CO2e?

a) If so, are these being enforced, managed and met? If not, take appropriate action.

b) If so, and incumbent suppliers, sub-contractors or service providers are meeting the requirements, can more be done within the current scope
of contract clauses / requirements or on a ‘goodwill’ basis to drive further action on CO2e reduction?

4.2.3 If no requirements to reduce CO2e are included in current contractual arrangements, consider the following:

a) Do current contractual arrangements have an ‘innovation or continuous improvement’ clause that could be used to drive action on CO2e reduction?

b) Raise the issue of CO2e reduction with the incumbent suppliers, sub-contractors or service providers, encouraging them to work with you on a ‘goodwill’ basis.

c) If incumbent suppliers, sub-contractors or service providers are unwilling / unable to work with you on a ‘goodwill’ basis, consider early termination of the contract / framework and begin planning CO2e reduction for inclusion in the next iteration of the contract / framework.

d) If contractual arrangements are due to be re-tendered shortly, or if no contract or framework is currently in place, begin planning CO2e reduction for inclusion in the next iteration of the contract / framework by:

- Undertake premarket engagement with suppliers, highlighting your organisation’s CO2e reduction objectives.
- Building CO2e reduction outcome requirements into the specification.
- Ensuring the tender features questions / requires method statements that reflect the prominence of your CO2e reduction requirements, putting the onus on suppliers to detail how they will support the delivery of CO2e reduction to meet your organisations goals.
- Appropriately weighting Award Criteria to drive CO2e emission reduction actions.

By taking the above actions you can ensure that the ability and willingness of suppliers, contractors or service providers to deliver CO2e emission reductions is a differentiator, allowing those most likely to help you to work towards decarbonisation to express their offering and score well.

4.2.4 If high priority CO2e categories of expenditure are not subject to procurement rules but are managed via a corporate policy or conditions of funding? e.g. business travel reimbursed through Travel and Subsistence payments OR Grant funded.

Does the current policy or do grant conditions consider CO2e emissions?
a) If yes, are the anticipated outcomes being delivered? If not can enforcement steps be taken?
b) If no, could corporate policies or conditions of funding be amended to consider CO2e emissions?

5. Acknowledgements

Atamis

BEIS (UK Government’s department for Business, Energy and Industrial Strategy)

Natural Resources Wales – Carbon Positive Project
Improving procurement visibility and control

Atamis – Decarbonisation Dashboard - Quick Start Guide

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**Introduction**

This document is intended to provide guidance on the use of the carbon emissions data which has been added to the member spend data within the Atamis system. This data is fundamentally an estimate of historic carbon emissions, based upon an accepted methodology.

This data is now available on a per-organisation basis, in order to aid organisations in conducting emissions related analysis within their own Atamis systems.

**Methodology**

This data is based upon average emissions data per category derived from DEFRA guidance. It should not be taken as a concrete measure of the actual emissions, rather, it is a measure of the likely emissions associated with spend. More details on this methodology, including caveats, are available within the document at the below link:

https://services.atamis.co.uk/NPS/Atamis_Carbon_Emissions_Guidance.pdf

**Accessing the Dashboard**

The best way of accessing the data is via the Decarbonisation Dashboard. To access this, click the ‘Dashboards’ tab at the top of the page, then scroll through the list of dashboards and click ‘Decarbonisation Dashboard’. Alternatively, you can also start typing in the search bar:
The decarbonisation dashboard displays data relating to the total and average emissions, based upon the value of spend and the category to which that spend relates:

You may access more detailed reports on which this data is based by clicking on any of the components. This will display the report interface, which enables you to drill down, filter, and adjust the way in which data is displayed, as you would any other report in the Atamis system:

Carbon Trends by NPS Category

Report Generation Status: Complete

Report Options:
- Summarize information by:
  - Category: NPS Category
  - Period
- Show:
  - All expenditure

Time Frame:
- Data Field: Period
- Range: Custom

Note: You can run this report by clicking a dashboard component. Results may differ from the dashboard due to your security settings.
Reports

Please note you may also access the decarb dashboard and reports from within the reports tab. This can most easily be achieved by clicking the reports tab, then navigating to the 'Decarbonisation Dashboard' folder. This provides you with a shortlist of all available decarb reports:

![Reports & Dashboards](image)

Finally, in order to extract the detailed data associated with any report to excel, please use the Printable View or Export Details functions to extract the data, as you would any other report:

![Carbon Trends](image)

Support

For support using this feature, please contact support@atamis.co.uk