## GREEN CREDENTIALS AND PROCUREMENT

In September 2020, the Government published a new Procurement Policy Note, which launched a new model to deliver social value in the award of public procurement contracts (the "PPN" – link <u>here</u>).

The PPN's social value model applies to central government contracts from 1 January 2021 and sets out the following green credentials, which contracting authorities should consider in order to achieve effective stewardship of the environment:

- Delivering additional environmental benefits in contracts, including working towards net zero greenhouse gas emissions; and
- Influencing staff, suppliers, customers and communities through the delivery of contracts supporting environmental protection and improvement.

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Previously, social value was simply a 'consideration' for contracting authorities, but now the new model ensures that public contracts 'build in' sustainability aims, which are factored into both the evaluation of any bidders and key contractual terms/ penalties.



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The PPN now sets out that a minimum weighting of 10% of the total score for bidders in any central government procurement are allocated to social value (including fighting climate change).

This means that environmental action by private company bidders is likely to be a deciding factor from now on in the award of government contracts.

To be successful in any tender process, bidders for central government contracts need to be able to showcase their green credentials at bid stage, and as part of evidencing contractual performance, often with contractual sanctions for failing to achieve sustainability aims. Our litigation team can support contracting authorities and bidders in navigating any disputes which might arise over sustainability aims and how those are either evaluated or measured contractually - at either bid stage or during the life of any contract.



Louise Dobson Partner

- **44 (0)7525 238996**
- Louise.Dobson@
- in addleshawgoddard.com Connect with Louise



Bill Gilliam Partner

- **%** +44 (0)7720 350327
- Bill.Gilliam@
- in addleshawgoddard.com Connect with Bill