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Town Centre Improvements through Sustainable Procurement

For: Association of Town Centre Management

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Lowestoft Vision BUSINESS LED BUSINESS FOCUSED

NORWICH BUSINESS IMPROVEMENT DISTRICT

UNIVERSITY OF WESTMINSTER

29 June 2014

Confidential: Final draft

'Delivering Town Centre Improvements through Sustainable Procurement' (ISPRO) has received a financial contribution from the European Regional Development Fund (ERDF)

European Union
European Regional Development Fund

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Association of Town Centre Management (ATCM)

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Glossary

Term	Definition
ATCM	Association of Town Centre Management
Anaerobic Digester (AD)	AD is a process where biomass is broken down by micro-organisms in the absence of air. AD plants use this to create biogas to generate energy.
BID	Business Improvement District
Collaborative Procurement	When users of a service work together during contracting, to achieve economies of scale for the benefit of the users and the service providers
CO_2e	Equivalent CO_2 is the concentration of CO_2 that would cause the same level of radiative forcing as a given type of greenhouse gas
DSP	Delivery and Service Plans rationalise deliveries to reduce costs and impacts
ERDF	The European Regional Development Fund
IVC	In-vessel composting describes a group of methods that confine the composting materials within a building, container, or vessel
Procurement	The acquisition of goods, services or works from an outside external source
Recycling	A process to change materials into new products
Residual waste	Waste that cannot be or is not separated for recycling or composting
tpa	Tonnes per annum is the unit used to measure the total CO_2e emissions of an activity over a period of one year

Executive summary

The purpose of Town Centre Improvements through Sustainable Procurement (ISPRO), was to develop and trial town centre and business area improvements through the application of sustainable procurement processes and freight reduction. ISPRO was partially funded by the European Regional Development Fund and supported 59 environmental initiatives across three town centres, as well as additional measures to support sustainable urban development in the region.

The project provided expert support to the three town centres to help them develop successful Business Improvement Districts (BIDs) as hubs to demonstrate real cost savings and environmental benefits, by adopting sustainable procurement practices and Delivery and Servicing Plan (DSP) principles where appropriate through collaboration between BID members.

Three different approaches to collaborative procurement were applied at the three sustainability hubs in Cambridge, Lowestoft and Norwich, to match the demographic and specific needs of the BID members. A formal tendering approach was used to procure a full waste and recycling service in Norwich, a specific recycling service for food waste was developed with a local contractor and then procured in Cambridge and the BID in Lowestoft worked with one of their members to launch a collection scheme for cardboard, financed by the sale of materials. The schemes were all successfully established and will continue to grow, saving the BID members money. These initiatives will save a minimum of 6,215t CO_2e over three years.

The BIDs were also used to develop DSPs for 9 businesses, making efficiencies in their deliveries to reduce GHG missions and save them money. One business saved £25k per annum and reduced their emissions by 40% by using a DSP.

This report uses worked examples to highlight key considerations, practical lessons and tangible outputs with the objective being to share experience and promote innovative procurement practices in BIDs and town centres across the UK.

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Introduction and Background

1. ISPRO project

The purpose of Town Centre Improvements through Sustainable Procurement (ISPRO), was to develop and trial town centre and business area improvements through the application of sustainable procurement processes and freight reduction, to encourage private investment and to provide bottom line benefits for businesses.

The unique approach within this project was to focus on developing a Business Improvement District (BID) in each of three town centres to provide the critical mass of businesses and the focus through which these benefits could be achieved. This project provided expert support to the three town centres to help them develop successful BIDs as hubs to demonstrate real cost savings and environmental benefits, by adopting sustainable procurement practices and Delivery and Servicing Plan (DSP) principles where appropriate through collaboration between BID members.

These savings and improvements were achieved via analysis of current spend and educating business owners, managers and those responsible for procurement about the benefits of sustainable procurement activities. The project raised awareness of suitable resource efficient alternatives to currently purchased products and services and enabled new activities through the development of bespoke action plans.

The purpose of this document is to demonstrate how an innovative approach to procurement can deliver both sustainability and cost benefits to BID members, using worked examples to highlight key considerations, practical lessons and tangible outputs with the objective being to share experience and promote the practice in BIDs and town centres. Target stakeholders will take away awareness of the approach and key benefits, as well as an understanding of the steps they need to take to achieve them.

1.1. ERDF

ISPRO was partially funded by the European Regional Development Fund. In addition to the 59 confirmed environmental initiatives (with many more to be added as the schemes persist and grow) at the core of the project activities, ISPRO provided several other benefits to the regions including:

- 77 business receiving ERDF Priority 3 assistance (i.e. a minimum 12 hours support to achieve sustainable urban development);
- Three energy efficiency demonstrator projects;
- 24 jobs created (13 of these posts were filled by female applicants);
- 3 successful start-up businesses;
- 41 new products, processes and services via the BIDs and
- a minimum[1] of 2,072t CO_2e savings per annum, or 6,215t over three years.

[1] This assumes that the three collaborative procurement initiatives do not recruit any additional members, which is unlikely as the schemes are new and continue to pursue participants. Hence these savings are a minimum, which will increase as new members are added.

1.2. Steps for developing a BID

Three BIDs were set up to act as hubs for sustainable procurement activities. A BID is a business led and business funded scheme to improve a defined trading area, such as a town centre or industrial estate through additional services or new initiatives.

Government legislation was introduced into England and Wales in 2003, empowering businesses to 'raise funds locally to be spent locally' on improving their trading environment. BIDs are funded through a nominal levy calculated on the rateable value of all businesses within a defined area.

This levy income can be used to lever in more funding; for example from public sector agencies, grant bodies, sponsorship, landowners and trading income during the 5 year scheme. The process of developing a BID involves extensive consultation with businesses to establish what improvements they want and will pay for. A BID Proposal is then produced and a 28 day postal ballot held where businesses vote 'for' or 'against' the BID.

For the BID to go ahead, two conditions must be met; firstly, a majority of those voting have to vote 'yes' and secondly those 'yes' votes have to represent more than 50% of the total rateable value of all votes cast, thus ensuring that there is good representation within the BID from both smaller businesses to provide the numbers and larger ones to provide the rateable value. There is no minimum turnout threshold. If these conditions are fulfilled, payment of the levy becomes mandatory for all businesses regardless of how they voted. There are now 185 approved BIDS in the UK.

2. Innovative approach to procurement

The three BIDs were used as sustainability hubs that delivered environmental and cost benefits to their members via energy saving initiatives. These were achieved via the application of two innovative approaches to the procurement of goods or services. The first approach focussed on using the combined buying power of BID members to reduce the costs of recycling and waste services, which diverted more materials from landfill to recycling - so called 'collaborative procurement'. The second approach focussed on rationalising deliveries and services to the businesses to reduce the impact of their supply chains and provide cost savings - so called Delivery and Servicing Plans (DSPs). These environmental benefits from such initiatives include a reduction in Greenhouse Gas emissions, reduced waste to landfill and an increase in the availability of recycled materials for industry.

2.1. Collaborative procurement

Collaborative procurement is defined as when users of a service work together during contracting, to achieve economies of scale for the benefit of the users and the service providers. When applied to waste and recycling services, these savings also deliver environmental benefits as the collective contract is of a sufficient size to make diverting more material types into recycling and reprocessing financially viable.

The advantages of taking a collaborative procurement approach to recycling and waste management services include:

- Reduced waste management costs;
- More regular, frequent and convenient collection services;

- A reduction in administration and management of contractors through delegation of these tasks and financial arrangements to a coordinator;
- Improvements to the local area (e.g. through coordinated removal of all waste from an area) which can help attract customers; and
- Increased 'buying power' for contracts and reduced administration costs for contract management.

2.2. DSPs

A DSP is an innovative approach to retail deliveries. DSPs provide a framework to better manage freight vehicle movements to and from individual buildings including retail outlets, offices, factories or depots. This is a management concept focusing on efficiency gains and cost savings, which can be realised throughout the supply chain.

Collaborative procurement

Three different approaches to collaborative procurement were applied at the three sustainability hubs. These approaches matched the demographic and specific needs of the BID members. In Norwich, a formal tendering approach was used to procure a full waste service to match the deficit of services in the area and the large number of BID members. A new food waste service was developed with a contractor in Cambridge, as a single company controlled the majority of all other business waste streams in the city, who did not collect food, and such a collection would complement existing services. In Lowestoft, a cardboard collection service was developed by one of the BID members, one not traditionally affiliated with waste industry. This alternative approach to service procurement focussed on cardboard, as it is a new offering and cardboard is one of the easiest recycling services to finance via materials trading. The three schemes delivered significant CO_2e savings and reduced costs for the BID members and will continue to do so.

3. Norwich waste and recycling service

3.1. Situation

The Norwich BID team looked to procure a comprehensive waste and recycling solution for businesses in the BID area. Prospective contractors were invited to bid for one or more of the following contracts for waste or recycling:

- Lot 1: Collection and recycling / recovery / disposal of general waste;
- Lot 2: Dry mixed recyclables (DMR) and segregated recyclable materials;
- Lot 3: Collection and recycling of glass bottles/jars; and
- Lot 4: Collection and treatment of segregated food waste.

This service would replace the highly fragmented and inconsistent service provision to Norwich BID area businesses, increasing the mass of the materials collected and the number of material streams.

In order to support the objectives of this procurement, 383 companies in the BID were sent questionnaires in order to gauge whether businesses were willing to change waste and recycling collection contractor. In total, 292 businesses participated in the questionnaire survey and 271 businesses said they are willing to change waste and recycling contractor (93%).

3.2. Solution

Norwich BID entered into a formal tender process, inviting several potential partners to bid to collect and treat one or more of the material streams. The BID approached several providers in an extensive market testing exercise, understanding feasibility and the concerns of prospective applicants.

Norwich BID then developed a formal scoring matrix to match their service needs and developed a bidder questionnaire and a requirements document for the bidders. The combined buying power of the BID members allowed them to specify the service requirements to match their needs.

The Invitation to Tender attracted four full responses and a single, local, contractor was awarded all of the lots based on the scoring system and the BID was highly satisfied with the outcome. It is up to

the contractor to recruit BID members to the service and a Memorandum of Understanding codifies the agreement that governs the necessary relationships. 36 BID members were signed up to the service as it launched and more of the 271 businesses identified as willing to change will be recruited as their current arrangements expire. The service will also remain open as an option to all other BID members.

3.3. Key outputs/benefits

The waste services procured by the 36 members of Norwich BID would save 1.5 Kt of CO2e emissions in one year[2], this will increase as more businesses are recruited and the eventual savings could be much greater (Table 1). The businesses also paid less overall for their waste services, had a reduced administrative burden and greater influence with their service provider with new services open to many BID members.

Table 1: CO2e savings from the Norwich BID waste and recycling procurement

Waste fraction	Recycling (tpa)	Anaerobic Digestion (tpa)	Landfill diversion (tpa)	Total Net kg CO2e emissions
Paper and Card	278		-278	-351,114
Kitchen/food waste		250	-250	-116,250
Plastic	84		-84	-129,360
Plastic (film)	84		-84	-86,940
Metals	84		-84	-756,840
Glass	28		-28	-9,100
Total Net kgCO2e emissions	-1,173,034 (Kgpa)	-25,000 (Kgpa)	-251,570 (Kgpa)	na
Grand Total Net kgCO2e emissions				**-1,449,604**

3.4. Key lessons

The procurement in Norwich was a great success; a key learning is that businesses may not be able to switch to a new service right away due to their pre-existing contractual arrangements. A cohort of first adopters should be gathered; in this case a shopping centre comprising several SMEs was used as a core, to attract a bidder to take on the collaborative procurement.

A preliminary tendering process did not yield satisfactory responses, with few cost savings and little innovation, and it was clear that a sophisticated scoring matrix that prioritised the desired outcomes, as well as a demonstration of the groups buying power, was necessary to ensure the success of the scheme. The market testing was also crucial in developing the service and it is recommended that BIDs or town centres looking to replicate this approach should ensure that they have a good understanding of the likely respondents to their tender.

[2] All CO_2e savings based on 2010 Guidelines to Defra / DECC's GHG Conversion Factors for Company Reporting

The formal approach to tendering was highly suited to the application and yielded a very satisfactory service, one that will persist and deliver cost and environmental savings to the members of Norwich BID.

4. Cambridge food waste collection

4.1. Situation

Business waste and recycling in the Cambridge BID area was largely dominated by a single company, controlling 80% of the current market. There were a considerable number of businesses producing food waste in the Cambridge BID area and a collection service for this material was not available. Preliminary engagement with businesses suggested food waste was sent to landfill, that as this material was heavy it took up a large proportion of the residual waste and as such could achieve cost savings if diverted to a lower cost collection. In addition, food waste has been identified as a priority waste steam for diversion from landfill by the Waste Resources Action Plan (WRAP) as it accounts for almost half of all waste CO_2e emissions. The waste can also be used to generate renewable energy or compost for agriculture.

As such, the opportunity to negotiate a shared food waste collection in the Cambridge BID area was explored. The separately collected food waste would be treated locally in an In-Vessel Composter (IVC) or an Anaerobic Digester (AD), which could produce either agricultural composts or renewable energy resulting in environmental benefits on top of financial savings for the BID Businesses.

4.2. Solution

The Cambridge BID sustainability hub worked with a waste services provider to help develop their offering for food waste. The BID organisation commissioned due diligence on the potential provider's proposal. This document included a review of the proposal by a sector expert, a view from the industry via engagement with a multinational chain of restaurants and typical pricing for the area to compare with the proposed service. The BID also undertook pre market testing exercises with 50 businesses in the BID area, to understand the likely uptake and to run costing exercises to ensure that the service would save them money.

The BID team provided expert advice to the service on vehicle and bin options for the area and used their ambassadors to build awareness of the service, working together to launch collections towards the end of the ISPRO project. The BID acted as a focal point of engagement for the food waste collection for BID members, which will ensure the collective buying power of the bid is maintained.

The collection will take the waste to an IVC facility, producing compost for the agricultural industry and avoiding CO_2via landfill diversion. The scheme launched with a small number of large players, including the market and a college, to be able to collect a suitable tonnage to make the service financially viable. SMEs will then be added to the service as it expands and persists.

4.3. Key outputs/benefits

Participating organisations will save money as a food waste collection is cheaper than that for residual, which is where the waste would have otherwise been disposed. In addition, those organisations that used the new food waste provider for their residual waste already have been guaranteed a saving by the service as negotiated by the BID.

When the service reaches its operational capacity, after an initial commissioning period, 800-1000 tonnes per annum (tpa) (50-100 bins per day) food waste will be collected affording CO_2e savings of 268-365tpa.

4.4. Key lessons

This approach to setting up a specific service was effective and the outcome was successful. It is critical, even if there is a preferred supplier from the outset, to undergo due diligence to ensure that the BID members get the best deal and to maintain transparency. Anaerobic Digestion was the preferred method for treatment, however the infrastructure available in the local area limited the options to IVC. This is still a low carbon solution, but it is important to highlight that local infrastructure is often a determining factor for waste management options.

The ongoing negotiation on behalf of BID members when setting up the service and the ability to offer expert technical advice and market testing and awareness were key demonstrators of the BID's combined buying power. It is essential that this is demonstrated for collaborative procurement to work.

As with any new waste service, it is important to have a sufficient tonnage available for collection to make it financially viable. This is because the flexible revenues associated with the number of collections and the sales of materials (where possible) need to outweigh the fixed costs of running the service. This was made possible in Cambridge by having a few large collections to 'prime the pump' and then the service could grow from this viable core of collection tonnage.

5. Lowestoft cardboard collection

5.1. Situation

The collaborative procurement in Lowestoft grew from a desire of a BID member to expand their (non-related) business into the collection of cardboard. The organisation was a storage business, so needed to have a waste licence anyway, and had some spare space from which to operate. There were few options for the collection and recycling of cardboard from business in the Lowestoft area, so the BID worked with the company to develop a service for its members.

5.2. Solution

The BID provided advice to the operator on getting the correct licensing and on the transport and storage of the waste material. The BID also drafted a Memorandum of Understanding for the service to offer to businesses for the collection service as well as waste transfer notes, to ensure there was a proper duty of care for the material and that the business was in compliance with all of the appropriate regulations.

The BID also carried out market research for the cardboard, which can attract revenue if it is collected in sufficient quantities and is delivered to the correct markets in a preferred format. The BID gathered material prices from a range of markets for the cardboard, so the collection could feed them into their business model to see which offered the best return based on revenue and cost to access (i.e. a greater financial return might be counteracted by a longer delivery distance).

The BID also arranged for a quote to rent a baler for the cardboard; if cardboard can be processed into bales suitable for direct use in the cardboard recycling industry (so called 'mill sized bales') then they are more likely to attract a revenue.

The cardboard service launched servicing 30 businesses in Lowestoft area and is provided free to BID members. The service will continue to expand with the provider using a baler to sell mill sized bales to secondary commodities brokers, which finances the collections.

5.3. Key outputs/benefits

BID businesses no longer need to pay for the collection of their cardboard and one of them has expanded their existing operations to incorporate a new service offering creating an opportunity for employment. The cardboard collected will now be recycled and diverted from landfill, affording CO2e savings of 176tpa (Table 2)

Table 2: CO2e savings from the Lowestoft BID cardboard collection

Waste fraction	Recycling)	Landfill diversion (tpa)	Total Net kg CO2e emissions
Paper and Card	140	-140	**-176,820**

5.4. Key lessons

One of the key criteria for success in such a venture is ensuring that there is a market for the collected materials, to finance the collections. For cardboard, pricing can vary from region to region as the cost to get the material to an end market (i.e. a cardboard mill) varies. If you sell to a local broker, who then has to arrange for transport to a mill, then a lower price will be available when compared to a situation where direct delivery is feasible. With that said, hauling a low tonnage of cardboard anywhere other than locally can outweigh any revenue and in such cases, the economies of scale afforded to brokers are the only option for transport. As such, it is critical to understand local materials prices rather than national ones when looking to set up such a venture.

While there were few legitimate competitors for the collection of cardboard in Lowestoft, it transpired that there were illegitimate ones who did not have a licence. Such actors have lower costs, as they do not have to pay for licensing or ensuring a duty of care for the material they are handling, and are operating illegally so should be reported to the UK Environment Agency.

The venture was successful and the service is now operational, the support that the BID offered to the service on licensing, contracting and the materials markets was crucial in ensuring that the BID could collaboratively procure the services of a BID member in a new venture that benefited all parties.

Delivery and Servicing Plans (DSPs)

An extended definition of a DSP was applied during ISPRO; one that included all measures to achieve a more rational and efficient use of freight transport for business supplies and deliveries in urban areas. During ISPRO, the shop manager and an ISPRO representative worked together to develop a DSP for each business. A DSP can be developed for a single shop, but one can also be developed for a large group of networking stakeholders in an urban area. The potential measures in a DSP to improve freight efficiency and carbon reduction include:

- Reducing the number of suppliers;
- Grouping the deliveries of a supplier;
- Reducing the number of deliveries per week;
- Changing the supplier and selecting a less distant one or a carrier with a less distant depot;
- Ordering less frequently;
- Centralised purchasing;
- Collaborative purchasing;
- Using a shared consolidation centre; and
- Using clean vehicles.

Usually, the decisions about deliveries are taken by logistics companies, at the headquarters of large companies or by the suppliers, but rarely by the shops themselves. This makes it difficult for the shop manager to decide how the deliveries to its premises should take place, or how to change them.

An innovative way to deal with the supply of goods, and to solve the problem of lack of decision making ability, was to provide free assistance to the shop owners. In order for this assistance to be powerful and credible for businesses, it was necessary to use an impact assessment to demonstrate clear benefits, such as cost savings. As such, another output from this project is a practical tool that shows the impacts of the different solutions for deliveries.

Five case studies are presented from the ISPRO project, to demonstrate the practical application of DSPs and the scale of the associated benefits.

6. DSP case studies

The DSP concept was applied to nine Cambridge and Lowestoft businesses. The key results for five case studies are presented in Table 3 and described below, the CO_2e savings are presented in section 6.6.

Table 3: Results from 5 ISPRO DSPs

DSP	Business type	Main DSP measure	Internal cost savings	Distance savings	External cost savings
1	Small café	Change in supplier	£370 savings/year	-21%	-
2	Servicing business with own fleet	Fleet management optimisation	£3,700 savings/year (-28% of fuel)	-20%	-20%
3	Shopping centre	Optimised waste management	£1,700 savings/year	-51%	-51%
4	Shopping centre	Change in waste contract, less distant service provider	-	-74%	-74%
5	Small food shop	Reduced delivery frequency and subcontracted logistics	£25,000 savings/year (£3,600 fuel savings)	-40%	-40%

6.1. DSP 1

The first DSP was created for a small café. It was calculated that if the retailer changed one supplier, the distance between depot and the shop could be reduced by 160 miles per delivery which would save £370 annually.

The DSP was implemented and it demonstrates that the DSP concept and the costs saving effects can be applied, even if the business is very small and the solution has a very limited scope.

There was some difficulty when finding a supplier for specific product at a competitive price at a shorter distance, but it was eventually possible to identify a new supplier satisfying the specifications of the business. The reduction in fuel costs for the supplier was calculated to be 21%.

6.2. DSP 2

A DSP was developed for a business using its own fleet of four vans for servicing its clients located in one medium sized town and two small towns in the East of England. The annual mileage of each vehicle was reduced by at least 20% in the DSP. Strategies including driver training, log book entries for trips and fuel purchases, ensuring a load was full before embarking on a round trip and multiple uses of the vans. Clients experienced no change in the quantity and quality of products delivered.

Additionally, a new contract was negotiated with two suppliers to negotiate deliveries from closer depots. The DSP reduced fuel consumption, saving £3,700/year (28% annual fuel costs). The delivery distance was reduced by 20% and external transport costs were reduced by 20%. This case demonstrates the applicability of the DSP concept for businesses that own their own delivery fleets.

6.3. DSP 3

A DSP was developed for a shopping centre that was changing its waste collection service contractors and contracts. Different scenarios for the number of waste collection service providers,

different waste and bin types were used to make the management decisions. As a result, fuel costs were reduced by £1,700/year (-50%). The new waste contracts also afforded the shopping centre cost savings in excess of the fuel costs.

It shows that the DSP concept is not only suitable for the optimisation of deliveries, but also to decision making when selecting new contractors.

6.4. DSP 4:

A DSP was developed for another large shopping centre looking to change its waste collection services. The collections made by different waste and recycling material collection services were analysed, showing one service provider was sending the waste further away than originally thought (130 miles). A new contract with a local waste service provider located 9 miles away saved 74% of fuel costs. The distance travelled and the operational costs reduced by a similar margin.

When applying the DSP tool, it usually shows that the last leg of the urban freight supply chain is the most cost intensive but for waste services it is often the first. The DSP shows that contracts with services from depots that are further away are less effective.

6.5. DSP 5

A DSP was created for a small food shop that was planning to reduce its overall delivery costs. Most of its suppliers were based in the East of England and the Midlands, so were relatively local. One of their largest suppliers, however, was based in Paris. This supplier was very important in assuring the quality of the product and could not be changed. The cost of this delivery was high, this contract accounted for 80% of all supply costs 80%.

The DSP analytical tool showed that the most practical solution was to reduce the frequency of the delivery. Cost savings of up to £25,000 per annum could be achieved by reducing the frequency of trips from once per week to once every two weeks. An even greater saving could be potentially achieved by using subcontractors or larger long distance trucks, but the shop manager needed to travel as well to see the products before purchasing them.

Using the DSP, the shop owner could reduce the total costs of deliveries by 40%. Since there is a direct link between distances travelled and fuel use, the reduction in CO_2 was estimated to be around 40%.

6.6. CO_2 reduction from the ISPRO DSPs

The nine ISPRO DSPs saved 30.8 tpa CO_2e in total. The savings per DSP ranged from 0.2 tpa for a small shop to 8.4 tpa for a large one.

6.7. Key outputs from the ISPRO DSPs

The tool developed during ISPRO was tested under different business conditions and will help to quantify future changes in deliveries and servicing. It shows the impacts that potential solutions would have on business costs and traffic generated. The DSP, the 'before-after' data collection and the analytical tool can be replicated to create benefits for other BIDs. The findings can be used as a management solution to calculate the impacts of different scenarios on future delivery costs and impacts for businesses receiving goods.

Key steps and considerations for implementation

7. Timeframes and planning

The initial plan for the ISPRO project was to establish the innovative procurements first in order to demonstrate the potential cost savings that could be achieved, offsetting the levy associated with setting up the BIDs, which is often seen as a stumbling block for ensuring the BID vote gets carried. Once set up, it was then planned to use the relationships and networks that had been developed in establishing the BIDs to deliver additional benefits. However, it rapidly became clear that the legitimacy and the focus that a BID would provide were crucial to the successful development of the procurement projects.

As such, the BIDs were established in a process that can take between one and two years (to include voting and commissioning) and then used as sustainability hubs to deliver the cost and environmental benefits. Such initiatives could be delivered, from planning to the commencement of services, in six months, providing that there are no interruptions or diversions. Established BIDs with good access to their members for market testing and needs assessment could achieve the procurements in a shorter period of time.

DSPs are delivered on an individual basis and can be completed quickly, providing that the business involved submits the relevant data for their current operations and spend within a reasonable timeframe.

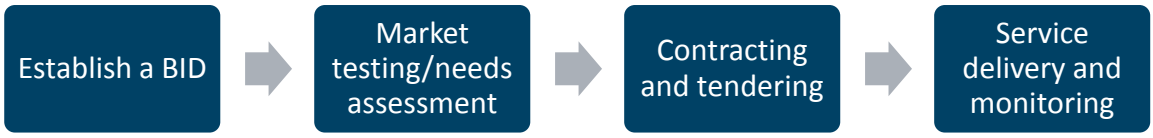
8. Personnel and resourcing requirements

A procurement initiative requires the cooperation and the input of a BID manager (once one is established) as a credible and informed point of access to BID members. This is essential when looking to engage BID members either collectively or on an individual basis, to ensure their participation and responsiveness. The ambassadors working on behalf of many BIDs are a very useful resource for maintaining engagement with BID members, carrying out market research and needs assessments and delivering contracts or agreements for signatures.

It is recommended that procurement experts be contracted to manage and advise on the technical aspects, to draft tenders and contracts and to deliver the maximum benefits to the BID members by ensuring that the service delivered is appropriate. Should a BID organisation be looking to set up a service for other members, expert resource regarding compliance with any legislation is useful as there are risks to all parties.

9. Key steps from decision to implementation

When looking to realise the potential benefits of innovative procurement via BIDs, the following steps should be taken:



The BID can be used as a vehicle for delivering such an initiative, it is then critical to understand the needs of the BID members and the best option to achieve this. This could be via market research, workshops or developing a DSP for individual businesses. The service should then be procured, either through a formal tender or via a direct contract. During this process, the BID can act as a focal point to maximise the buying power of their collective members, ensuring a solution that matches their values and requirements which can include environmental and cost savings.

Should the BID be able to provide relevant expertise, the BID can engage with the development of the service to ensure a bespoke and quality service for their members. As the service is rolled out, the BID can act as a focal point for its members regarding the service, leveraging their combined influence to escalate complaints and to ensure that the service is delivered as promised. The BID also adds visibility to the service, adding more members to the procurement to deliver greater combined benefits.

If these steps are followed, these innovative approaches to procurement can be applied to apply a number of benefits to BID members, including cost savings and environmental improvements as delivered during ISPRO.

10. Contacts for further information

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