

Act Now: Major Government Suppliers Must Adopt a Net-Zero Carbon Reduction Plan by the End of September 2021

UK



On 5 June 2021, the Cabinet Office published PPN 06/21, which requires prospective suppliers to adopt and implement a Carbon Reduction Plan (CRP) as a condition of participation in major central government procurement. This will apply to affected contract opportunities tendered from 30 September 2021. The CRP must commit to reaching net-zero carbon emissions in the suppliers' UK operations by 2050.

This is an unprecedented development in government procurement policy in two respects: First, it introduces a social policy (carbon reduction) requirement on bidders' entire UK operations regardless of the relevance of those UK operations to the performance of the relevant contract. Second, it implements the social policy requirement at the selection stage as pass/fail criterion, rather than being scored (and costed) at the evaluation stage.

Suppliers wishing to participate in major central government contracts must act now to ensure they do not miss out on new contract opportunities from the autumn.

Checklist	Yes/No
Do you know your scope 1, scope 2 and scope 3 emissions?	
Will you have a compliant CRP in place by 30 September 2021?	
Do you know how to maximise the potential strategic value of CRPs for future contract opportunities?	
Have you considered how the CRP will feed into commercial, financial and legal procedures?	
Have you distinguished potential bidding entities internally and where you may need to conduct separate CRPs?	
Do you bid as part of a consortia or SPV, and do you understand your requirements in terms of a CRP in this context?	
Do you have senior leadership endorsement and approval?	
Have you familiarised yourself with the technical standards and template for CRPs?	
Can you evidence existing carbon reduction projects?	

How We Can Help

We anticipate that the drive for net-zero will become an enduring and increasingly prominent feature of all types of government procurement in the future.

The CRP requirement offers a real opportunity for suppliers to obtain a strategic advantage in future contract opportunities. For businesses looking to participate in public procurement, we can:

Advise on strategic implementation of the PPN requirements.

Ensure compliance with public procurement law

Advise on how to maximise the potential value of CRPs to drive success and evidence capability in future competitions

Review your sustainability and decarbonisation practices to ensure they correctly evidence the requirements of the PPN

Advise on the wide range of solutions available for decarbonising your business

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