

Executive summary of UK Government Timber Products

Advice Note 1 August 2008

From 1st April 2009 there will be a step-change in timber procurement policy. Central government departments, their executive agencies and non-departmental public bodies are required to procure either legal and sustainable timber or FLEGT-licensed timber.

The Central Point of Expertise on Timber (CPET) is funded by Defra to provide free advice and guidance to all public sector buyers and their suppliers to aid compliance with the policy.

Please contact CPET on 01865 243766 for further details.

1. Identification of need

If identifying a requirement for timber or wood derived products be aware that the policy is changing from April 2009.

2. Specification of requirements

Timber products should be specified in performance output terms rather than demanding a specific species of timber.

A requirement for legal and sustainable timber should be specified. FLEGT-licensed timber will also be eligible under the revised policy, but is not currently available on the market. Further guidance will be issued once FLEGT-licensed timber becomes available. Therefore for the purposes of meeting the policy in the short-term, buyers for government should seek to purchase legal and sustainable timber. See section 2.2 of the guidance note for details of how to meet sustainability requirements.

3. Selection of suppliers invited to tender

The potential contractors should be notified that their record in supplying legal and sustainable timber (and, in due course, FLEGT-licensed timber) will be assessed and used to help select those suppliers invited to tender.

4. Invitation to tender

The ITT letter attached at Annex C should be used to draw attention to the policy requirement for legal and sustainable timber.

5. Contract award

Bids should be evaluated against criteria defined by the contracting Authority. In the short-term, bids offering legal and sustainable timber can be deemed to be compliant with the policy, FLEGT-licensed timber will also be eligible, when available. Once bids have been assessed to meet the specified requirement, the most economically advantageous bid should be accepted, based on criteria such as price, delivery date and period for completion.

6. Contract management

Government buyers should request independent verification of timber sourced from higher risk areas (contact CPET for further guidance on risk).

Identification of need

If identifying a requirement for timber or wood derived products be aware that the policy is changing from 1st April 2009.



Specification of requirements

Demand legal and sustainable (or FLEGT licensed timber in due course) using model specification clauses attached at Annex B.



Pre-qualification of suppliers

Notify contractors that their record in supplying legal and sustainable timber (and FLEGT-licensed timber in due course) will be used to help select those suppliers invited to tender.



Invitation to tender

The model ITT letter attached at Annex C must be used to draw attention to the policy requirement for either legal and sustainable timber (or FLEGT-licensed timber in due course).



Contract award

The most economically advantageous tender should be chosen at award stage, taking all award criteria into account
(such as price, delivery date etc.)



Contract management

Request independent verification of timber sourced from higher risk areas.
A model contract condition is attached at Annex B.

Timber Procurement Advice Note August 2008

Purpose

This Note informs central government departments in England of the procedures for purchasing timber and wood-derived products in line with Government policy, effective from 1 April 2009.

Further information is available from the CPET website www.proforest.net/cpet or by calling the CPET helpline on 01865 243766.

The Note is in three sections plus Annexes:

- Section 1 provides an overview of timber procurement policy
- Section 2 provides guidance on implementation of the policy
- Section 3 links policy implementation to the main stages in the procurement process.

1. Timber Procurement Policy

The new UK Government timber procurement policy will require that:

From 1st April 2009, only timber and timber products originating either from independently verifiable legal and sustainable sources or from a licensed Forest Law Enforcement, Governance and Trade (FLEGT) partner will be demanded for use on the Government estate.

Until 1st April 2009 the UK Government timber procurement policy requires its central departments to actively seek to purchase legal and sustainable timber and wood-derived products. Guidance on meeting this current policy is set out in the associated [Timber Procurement Advice Note dated November 2005](#).

1.1. Scope of application of the policy

The policy applies to all central departments in England, Executive Agencies and Non-Departmental Public Bodies (NDPBs). **Any such body receiving government funds is mandated to follow the timber procurement policy.**

The policy applies to all timber and wood-derived products used on the government estate including temporary site works and material supplied by contractors.

The policy applies to virgin timber. Departments can alternatively demand recycled timber. Documentary evidence and independent verification will also apply to recycled timber but will focus on the previous timber use rather than the forest source.

Short-rotation coppice (SRC) is exempt from the requirements of the timber policy and falls under agricultural regulation and supervision rather than forestry. It should be noted that the European Commission is considering the development of sustainability criteria applicable to renewable sources of energy, including woody biomass.

1.2. Model specification text and model contract condition

Model specification text and a model contract condition are set out in Annex B. The specification text should be included in specifications for all contracts and funding mechanisms involving the supply of timber or wood-derived products. Similarly, the model contract condition should be used as a Supplementary Condition to the General Conditions of Contract for all contracts and funding mechanisms including the supply of timber or wood-derived products.

The model specification text in Annex B requires contractors to ensure that any timber or wood-derived products supplied to the Government are from legal and sustainable or FLEGT-licensed sources and the model contract condition requires them to provide timber as outlined in the specification. Bidders shall be required to indicate their acceptance of the contract conditions as a requirement of submitting a compliant bid. This can be achieved by bidders signing a statement to this effect as part of their ITT response. If they do not agree to abide by the contract conditions, their bid can be marked as non-compliant.

2. Implementing the policy

2.1 Practical support for implementation

The Central Point of Expertise on Timber (CPET) is Defra's technical advisory body. It was set up with Ministerial support in 2005 in response to an Environmental Audit Committee report. CPET provides free advice and guidance to all public sector buyers and

CPET website

www.proforest.net/cpet

CPET Help Line Telephone
number

their suppliers.

01865 243766

CPET also publishes the UK government criteria for legality and sustainability, assesses timber certification schemes and makes recommendations to government. The CPET website provides information and advice on procuring legal and sustainable timber and dealing with specifications, selecting tenderers, bid evaluation and contract compliance. It is supported by a Helpline available between 9am and 5pm Monday – Friday free of charge.

2.2 Evidence of legal and sustainable origin

Contractors are required to provide, if requested by the Authority, evidence that the supplied products comply with the technical specifications. Where the Authority has doubts as to the credibility of the evidence, it may request that the contractor has the evidence independently verified.

In order to demonstrate that timber is from a legal and sustainable source it is necessary to prove:

- ***The source of the timber (chain of custody)***: In general, timber and wood-derived products go through a number of stages between the forest and the final product. Since the policy applies to legality and sustainability *in the forest*, it is necessary to know the area of forest the timber originated from.
- ***That the forest source was legally and sustainably managed***: Once the source of the timber is known, then it is necessary to show that the forest was managed legally and sustainably.

Therefore, evidence related to both management of the forest and the chain of custody is required. Two types of evidence are accepted:

Category A evidence is independent certification under a scheme recognised by the UK Government as meeting the criteria set out in the document titled “*UK Government Timber Procurement Policy: Criteria for Evaluating Category A Evidence*” (available from the Authority on request and/or from the CPET web site). A list of assessed certification schemes that currently meet the government’s requirements can also be found on the CPET website. Certification schemes include both forest management certification and chain of custody certification.

Category B evidence is documentary evidence (other than Category A evidence) that provides assurance that the source is legal and sustainable. Further information on collecting and

evaluating Category B evidence is set out in the document titled “*UK Government Timber Procurement Policy: Framework for evaluating Category B evidence*” (available from the Authority on request or from the CPET web site). Category B evidence can be combined with Category A evidence (for example a certified forest of origin combined with non-certified evidence of chain of custody).

Government-defined standards for ‘legal and sustainable’ may be acceptable as part of category B evidence: the definition of sustainable requires that a local definition of ‘sustainable’ is developed through an inclusive, multi-stakeholder process (see “*UK Government timber procurement policy: Definition of ‘legal’ and ‘sustainable’ for timber procurement*” for further details). Standards defined by governments or other groups constituting a single stakeholder group (e.g. an industry standard or an NGO standard) do not meet this requirement. However, if a single-stakeholder standard can be evaluated against a relevant multi-stakeholder standard which does meet the UK Government requirements and which was developed for the same geographical area, and can be shown to be broadly equivalent in terms of outputs, then it may be acceptable. Contact CPET for further details.

2.3 Evidence of FLEGT-licensed origin or equivalent

Currently there is no FLEGT-licensed timber available in the market and therefore further detailed guidance from CPET will follow as FLEGT-licensed timber becomes available. This guidance will include details of the FLEGT requirements mentioned below.

Where a FLEGT Voluntary Partnership Agreement (VPA) between the EU and a Partner Country has been signed, but the licensing system is not yet functioning, timber from the Partner Country may be accepted. After a VPA has been signed it is expected that there will be a period of some months before a licensing system becomes fully functional. However, in some cases individual timber producers in a Partner Country may have put in place **all** the requirements for the licensing system prior to its official implementation (which would make it applicable to all exporters to the EU). In these cases, such timber may be considered to meet the UK Government’s procurement policy requirements.

Such timber must meet all of the FLEGT requirements, including the legality definition agreed through an appropriate multi-stakeholder process. The timber must also meet requirements for independently-verified compliance and supply chain controls that would apply if the licensing

system were in place. **This provision will be applicable only for an agreed period, consistent with the timetable set out in the VPA.** Further advice is available from CPET.

FLEGT-licensed timber which has been processed in a third country may also be acceptable. Further guidance will follow.

Equivalent evidence from a non-VPA Partner Country which demonstrates that all of the stringent FLEGT requirements have been met may be acceptable (as with all Category B evidence). These stringent requirements are currently defined to include criteria *such as* a broad definition of legality developed through a multi-stakeholder process, application of the definition at the national level and to all exports within a product range, independent monitoring of the system and strengthening the capacity of forest law enforcement agencies to eliminate illegal timber production in the country or region. The guidance on equivalence to FLEGT requirements will be refined as FLEGT Partner Agreements are developed and signed. All FLEGT equivalent evidence should be referred to CPET.

2.4 Evaluating evidence

Requesting copies of evidence: It is recommended that evidence of compliance should be requested using a risk-based approach. Thus, where material is from a low-risk source where there is a good record of forest governance and responsible management, proof will only be required on a sample basis. However, for material coming from sources where forest governance is poor and forest management not always responsible, then proof should be routinely requested and, if found to be inadequate, independent verification required. Further information on risk assessment of sources is available from CPET.

Independent verification: The model contract condition reserves the right for the Authority to require *independent verification* of the evidence. This must be provided and paid for by the contractor and must result in a report that (a) verifies the forest source of the timber or wood and (b) assesses whether the source meets the criteria for legal and sustainable or compliance with FLEGT-licensed requirements.

3. Stages of the Procurement Process

3.1 Specification of requirements

It is preferable to specify requirements in performance output terms rather than demanding particular species unless unavoidable. This will give suppliers more flexibility in finding well-managed forests for their sources of timber.

If it is advised that only a particular species will meet the technical specification then confirmation from experts should be sought to determine that no other species would be technically acceptable. If the species in question is unlikely to be grown in a well-managed forest this may raise concerns over a contractor's ability to comply with the condition to supply timber from a legal and sustainable source, and prove it. Where it is not feasible to specify the requirement in performance output terms, then those responsible for writing the technical specifications should be asked to consider alternative lesser-known species/timbers.

The OJEU contract notice, accompanying technical specification and ITT letter should clearly identify the requirement for the contractor to supply legal and sustainable timber products (or FLEGT-licensed or equivalent timber products in due course) and to arrange and pay for independent verification if requested.

Legal and sustainable timber products (or FLEGT-licensed timber products in due course) are now the minimum standard required.

A model specification text is included at Annex B.

A model paragraph for inclusion with the ITT letter is at Annex C.

There may occasionally be situations where a particular type of product or timber species is needed (e.g. for use in marine defences or refurbishment of an historic building) and no legal and sustainable or FLEGT source is available. In this case, approval must require:

- A documented justification setting out why no alternative can be used;
- Evidence that the source of material was legally managed;
- Preference to material from sources that are demonstrably in an active programme to improve and certify forest management.

Further information is set out in the document titled "*UK Government Timber Procurement Policy: Framework for evaluating Category B evidence*", and further advice is available from CPET.

3.2 Pre-qualification of Suppliers

As part of the technical capacity criteria, the Authority can notify potential contractors that their record in supplying timber from legal and sustainable sources (and FLEGT partner countries in due course) will be assessed and used to help select those suppliers that will be invited to tender.

For goods and service contracts, the Authority can consider track record over the last three years but cannot go beyond that and must restrict consideration to the supply of goods of a similar type. The time limit for works contract is five years. Evidence of failure to supply legal or sustainable timber where there was a promise to do so can be taken into consideration when assessing how well potential contractors meet the selection criteria.

It is possible at this stage to ask for evidence (including independent verification) of systems employed to implement a responsible sourcing policy and to ensure chain of custody control throughout the supply chain. It is also possible to award additional points to those contractors that have the capacity to do this.

Suppliers need not be ruled out of the invitation list simply because they have no record of supplying legal and sustainable timber, but additional scores can be awarded to suppliers with a proven track record.

A supplier cannot be rejected simply because an allegation of illegal conduct has been made. Examples of illegal conduct in this context are trading in illegally logged timber and corruption. A supplier can only be rejected if a firm has been convicted of a criminal offence, or is found guilty of grave professional misconduct in the course of their business. Note that in the EU, it is not illegal to trade in timber that is alleged to have been illegally logged¹. The Authority's reaction to any such alleged misdemeanor must be proportionate and any attempt to subsequently rectify an alleged offence by a supplier must also be taken into account.

3.3 Contract Award

Evidence of compliance can be provided by a recognised certification scheme (Category A evidence) or through other acceptable evidence (Category B evidence). A tenderer may indicate

¹ Although the EC is currently considering options for making it unlawful to knowingly trade in illegal timber.

as part of his bid that the sustainable timber source offered will not be from a certified source but that some form of equivalent assurance (Category B evidence) can be provided. Even though you may have doubts as to a tenderer's ability to obtain independent verification you must take that offer at face value as a legitimate promise. However, as part of Contract Award you can remind that tenderer of the contract condition obliging him to obtain independent verification if requested post-award and the implications of failure to perform.

When a supplier indicates that he cannot comply with the requirements for legal and sustainable (or FLEGT-licensed timber in due course), then that bid should not be considered further.

In the event of no tender offering fully compliant bids under the Open or Restricted procedures of the EC Public Procurement Directives, then the Authority needs to assess whether to reject all bids and re-tender (with all the consequent time and cost implications) or to move to a Negotiated Procedure.

3.4 Contract Management

An Authority may request documentary evidence of legal and sustainable origin before the timber product is delivered. This may present difficulties for the contractor but, where reputations are at risk, it is in both parties' interest to clarify the source of the timber before resorting to rejecting deliveries.

Information on which evaluated certification schemes meet the UK Government's criteria for Category A evidence can be found on the CPET website. Schemes that have not yet been evaluated should be treated as Category B evidence for which clarification can be sought through CPET.

There will be occasions when contractors use their best endeavours to ensure that their supply chain provides legal and sustainable wood but are unable to provide credible evidence. The Authority will need to consider whether there has been a clear breach and, if so, to consider notifying other Authorities who in turn may be able to take non-performance into account when selecting suppliers to invite to bid for future contracts.

Where a decision is made to take no action in the event of a contractor being unable to demonstrate contract compliance, an audit trail leading to such decisions should be maintained.

Annex A

Glossary of terms

1. Definitions

1.1 Timber and wood-derived products: For the purposes of the Contract Specification ‘timber and wood-derived products’ is deemed to include any product that contains wood or wood fibre, with the exception of ‘recycled’ materials (see below). Such products range from solid wood to those where the manufacturing processes obscure the wood element (e.g. paper).

Timber and wood-derived products supplied or used in performance of the contract that have been recycled or reclaimed are referred to as ‘recycled’ timber, which is further defined below. Timber and wood-derived products supplied or used in performance of the contract that are not recycled are referred to as ‘virgin’ timber when the distinction needs to be made for clarity.

Short-rotation coppice (SRC) is exempt from the requirements for timber and falls under agricultural regulation and supervision rather than forestry.

1.2 Legal and Sustainable: The term ‘Legal and Sustainable’ in the context of this Contract Specification refers to production and process methods, also referred to as sustainable timber production standards, as defined by the document titled “*UK Government timber procurement policy: Definition of ‘legal’ and ‘sustainable’ for timber procurement*” (available from the Authority on request and website). The edition current on the day the Contract is awarded shall apply.

1.3 FLEGT-licensed: The term ‘FLEGT-licensed’ in the context of this Contract Specification refers to production and process methods, also referred to as timber production standards, as defined by a bilateral Voluntary Partnership Agreement (VPA) between the European Union and a timber-producing country, where both parties have agreed to establish a system under which timber that has been produced in accordance with the relevant laws of the producing country, and other criteria stipulated by the FLEGT agreement, are licensed for export by the producing country government. This may also include any timber that has been independently verified as meeting all the producing country's requirements for a FLEGT Licence, where a VPA has been signed but the FLEGT licensing system is not fully operational. Equivalent evidence from a non-VPA Partner Country which demonstrates that **all** of the requirements equivalent to FLEGT-

licensed timber have been met may also be acceptable. CPET will produce further guidance on FLEGT requirements in due course.

1.4 Recycled: 'Recycled' in the context of this Contract means recovered wood that prior to being supplied to the Authority had an end use as a stand alone object or as part of a structure. The term 'recycled' is used to cover the following categories: pre consumer recycled wood and wood fibre or industrial by products but excluding sawmill co-products (sawmill co-products are deemed to fall within the category of virgin timber), post consumer recycled wood and wood fibre and drift wood. It also covers reclaimed timber which was abandoned or confiscated at least ten years previously.

1.5 Short-rotation coppice: (SRC) is a specific management regime- the poles of trees are cut every 1-2 years - aimed at producing biomass for energy. It is exempt from the requirements for timber and falls under agricultural regulation and supervision rather than forestry. The exemption only refers to "short-rotation coppice" and not 'Conventional' coppice which is forest management, and therefore subject to this guidance.

1.6 CPET: the UK Government set up the Central Point of Expertise on Timber to provide a free helpline and website to support implementation of the UK Government timber procurement policy. Phone; 01865 243766. Website: www.proforest.net/cpet.

1.7 Biomass: includes agricultural crops, wood and other forestry materials, certain organic materials such as manures and slurries and certain source separated organic wastes such as wood and food waste. It can be used to produce bio energy from direct or indirect combustion and/or a range of renewable materials and products for industry.

1.8 Woodfuels: can come from conifer forests and broadleaved woodlands and can be obtained from a wide range of forest products, early thinnings, small dimension roundwood and the side branches and tops of trees harvested for their stem wood. It may take the form of logs, wood chips, wood pellets and briquettes, sawdust, bark or arboricultural arisings. It is increasingly being used to power biomass heating systems in domestic, commercial and public sector buildings.

Annex B

Model Specification text

1. Requirements for timber

1.1 All timber and wood-derived products must be from independently verifiable legal and sustainable sources.

2. Requirements for proof of Timber Origin

2.1 Management of the forest or plantation shall be audited at intervals confirming ongoing good forest management and by organisations with appropriate forest management experience that are independent of the organisation that holds timber harvest and/or management rights for that forest.

2.2. The Authority will accept evidence of legal and sustainable timber products from either or both of the following two categories:

2.2.1 Category A evidence: Certification under a scheme recognised by the UK Government as meeting the criteria set out in the document titled “UK Government Timber Procurement Policy: Criteria for Evaluating Category A Evidence” (available from the Authority on request and visible on the UK Government authorised Central Point of Expertise on Timber web site). The edition current on the day the Contract is awarded shall apply. A list of assessed certification schemes that currently meet the government’s requirements can be found at www.proforest.net/cpet.

2.2.2. Category B evidence: Documentary evidence other than Category A evidence that provides assurance that the source is sustainable. In this context “sustainable” is defined in the document titled “UK Government Timber Procurement Policy: Evaluation of Category B Evidence: Methodology” (available from the Authority on request and visible on the UK Government authorised Central Point of Expertise on Timber web site). The edition current on the day the Contract is awarded shall apply. Such Category B evidence may include, for example, independent audits and declarations by the Contractor or his contractors.

Where ‘Category B’ evidence is to be relied on, the Contractor is required to notify the Authority of the source or sources of all virgin timber and wood derived products supplied. Source in this context means the forest or plantation where the trees were grown and all subsequent places of delivery through the supply chain prior to receipt by the Authority. The Contractor shall separately identify virgin timber and wood-derived products supplied from forests and

plantations that are claimed to be subject to sustainable timber production and shall submit to the Authority documentation in respect of such wood to confirm that the criteria for sustainable timber production set out in this specification have been met.

Model Contract Condition – Timber and wood-derived products

1. Requirements for Timber

1.1. All timber and wood-derived products supplied or used by the Contractor in performance of the contract (including all timber and wood-derived products supplied or used by sub-contractors) shall comply with the Contract Specification.

2. Requirements for Proof of Timber Origin

2.1 If requested by the Authority, and not already provided at the tender evaluation stage, the Contractor shall provide to the Authority evidence that the timber supplied or used in the performance of the contract complies with the requirements of the Contract Specification.

2.2 The Authority reserves the right at any time during the execution of the Contract and for a period of 6 years from final delivery under the Contract to require the Contractor to produce the evidence required for the Authority's inspection within 14 days of the Authority's written request.

2.3 The Contractor shall maintain records of all timber and wood derived products delivered to and accepted by the Authority. Such information shall be made available to the Authority if requested at any time.

3. Independent Verification

3.1. The Authority reserves the right to decide whether the evidence submitted to demonstrate legality and sustainability is adequate to satisfy the Authority that the timber or wood product complies with the Contract Specification. In the event that the Authority is not satisfied, the Contractor shall commission and meet the costs of an 'independent verification' and report that will (a) verify the forest source of the timber or wood and (b) assess whether the source meets the criteria for legality and sustainability as defined in this Condition).

3.2 In this Contract 'Independent Verification' means that an evaluation is undertaken and reported by an individual or body whose organisation, systems and procedures conform to ISO

Guide 65:1996 (EN 45011:1998) General requirements for bodies operating product certification systems or equivalent: and who is accredited to audit against forest management standards by a body whose organisation, systems and procedures conform to ISO 17011: 2004 General Requirements for Providing Assessment and Accreditation of Conformity Assessment Bodies or equivalent.

4. Authority's Right to Reject Timber

4.1 The Authority reserves the right to reject any timber or wood derived products that do not comply with the Contract Specification. Where the Authority exercises its right to reject any timber, the Contractor shall supply alternative timber, which does so comply, at no additional cost to the Authority and without causing delay to the Contract completion period.

Signed..... Name in Capitals (as in tender).....

For and on behalf ofDate.....

Annex C

MODEL ITT LETTER PARAGRAPH ON TIMBER

The tenderer's attention is drawn to the contract requirements governing the supply and use of timber and wood-derived products in performing the contract. It is UK Government policy to require that all timber is from legal and sustainable (or FLEGT-licensed or equivalent sources in due course). Timber and wood-derived products in the context of this Contract includes any product that contains wood or wood fibre supplied to the Authority or used by the Contractor, his agents and subcontractors in performance of the Contract.

The Contract Conditions require that all timber and wood derived products supplied to the Authority or used by the Contractor in performing the Contract are legal and sustainable (or in due course comply with a producing country's FLEGT licence requirements or equivalent), as laid out in the specification. The Authority will reject any bid that cannot offer to provide independent verification that all timber and wood-derived products used in the Contract meets this requirement.