**Yorkshire Hemp Supply Chain Project – 2020/01**

**Briefing Paper**

**(For the provision of supply chain services).**

**Introduction**

The Supply Chain Network in conjunction with Grow Yorkshire wishes to procure a consultant to provide an insight into the supply chain opportunities to develop the processing of hemp in the region. The fundamental purpose of this project is to highlight the opportunity for a regional based supply chain to produce farm to finished product.

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10. **Overview**

The York and North Yorkshire Local Enterprise Partnership (Y&NY LEP) formerly the York, North York and East Riding Local Enterprise Partnership (YNYER LEP) works with partners across the region to set the strategic direction for the region’s economy, which aims to be good for people, business and the planet.

The YNYER European Strategic Investment Fund (ESIF) Revised Strategy (5 February 2016) structured around the YNYER economic plan for growth, set out the approach to delivery, focusing on specific interventions that supports economic growth through five strategic priorities.

Priority 1 - Profitable and ambitious small and micro businesses

Priority 2 - A global leader in food manufacturing, agri-tech and biorenewables

Priority 3 - Inspired people

Priority 4 - Successful and distinctive places

Priority 5 – A well connected economy

Through the identification of potential supply chain opportunities, this project will contribute to the Strategic Economic Priorities of:

* Help established small and micro businesses to be more successful
* Help growth minded businesses to achieve their ambitions
* Facilitate connections between agri-food / bio-renewables businesses and support supply chains interventions
* Stimulate market demand, to drive job creation.
* The ‘Greener Fairer Stronger’ ambitions of the developing “Plan to Reshape our Economy” in response to the challenges posed by COVID-19.

**1a. About Grow Yorkshire**

Grow Yorkshire is a Y&NY LEP initiative designed to help the region’s farming and food production businesses to build resilience and adapt to a multitude of external factors which will impact their profitability in the future. Grow Yorkshire brings together organisations which already offer extensive assistance to farmers and farm businesses. Through a more collaborative and coordinated approach, Grow Yorkshire seeks to increase the take up and impact of support services, identify the current and future needs of farming and the food industry and secure future funding and backing from the Government to address them. Significant change faces the sector, including the COVID-19 pandemic, BREXIT, climate change and the transition from the Common Agricultural Policy to the Environmental Land Management Scheme.

**1b. About The Supply Chain Network**

The Supply Chain Network (a YNYER LEP European Regional Development Fund (ERDF) Programme) is a partnership bringing together a programme of support for businesses within the Yorkshire and Humber regions, led by East Riding of Yorkshire Council. Its priority is to continually support SME’s to make supply chain opportunities visible, accessible and winnable. Working across different sectors and geographies its aim is to help share intelligence regarding existing supply chain opportunities, the development of new market opportunities, to learn and share best practice and support our small business base to improve margins and win new business. Support is available through 1-2-1 business advice, supply chain sector knowledge and information, workshops / webinars, networking opportunities and grant funding.

1. **Yorkshire Hemp Supply Chain – Background and Context**

This project is to map the end-to-end supply chain associated with the growing and production of hemp and hemp products in the Yorkshire region, bringing together relevant organisations and identifying gaps. We are seeking to engage supply chain expertise to deliver this project, providing specialist insight to inform decisions regarding opportunities to develop the processing of hemp in the Yorkshire region.

Yorkshire already hosts many suppliers, growers, producers and academics associated with the Hemp Supply Chain – arguably, the most sophisticated in the country. Therefore, the key opportunity is the coordination of a Yorkshire based supply chain, ready to produce farm to finished product ‘Made In Yorkshire’. Some of the organisations in the primary supply chain have already been identified and initial contact made to highlight this project (see ***Appendix 1***.).

**2a. Importance of Hemp Production in Yorkshire**

It is believed that an unrestricted and thriving hemp supply chain delivers several key goals relevant to both agricultural and emerging environmental policies across the Yorkshire region.

Hemp can be used for a range of environmentally sustainable and carbon negative products, whilst actively contributing to mitigating climate change. A thriving Yorkshire hemp supply chain can kick-start, boost local economies, and help to develop a ‘**Greener Fairer Stronger’** future in a post-Brexit landscape. Since the passing of the US Hemp Farm Bill in 2018, there has been a global resurgence in hemp production and processing and it is believed that Yorkshire has a golden opportunity to be part of the worldwide hemp renaissance.

**2b. Economic Opportunities for the Yorkshire Region**

A Yorkshire based hemp supply chain can provide many economic benefits for the region, as well as Yorkshire farmers, by fuelling technological, manufacturing, and design innovations that are essential to create new market opportunities and boost the local, bio and circular economies.

The region is a world leader in research and design, however due to the removal of the processing subsidy as part of the EU CAP in 2013, and the above political barriers to growth, hemp has received little to no industrial interest or funding.

In the UK, it is estimated that the maximum area of hemp cultivation is around 810 hectares. By comparison, Europe cultivates over 33,000 hectares of industrial hemp and is increasing year on year.

**2c. Benefits of a Yorkshire Hemp Supply Chain**

Hemp is widely recognised to be one of the most versatile, prolific and synergistic tools available to tackle key environmental challenges, such as CO2 and land contamination.

* Hemp bio-remediates contaminated soil, improves soil structure and nutrient levels, and can lead to greater yields in follow on crops, such as wheat.
* Hemp grows without the need of pesticides or herbicides and needs minimal water. It’s one of the most effective CO2 offsets, as it can grow up to 5 metres in only 3-4 months.
* Hemp is a sustainable raw material and can make thousands of environmentally responsible and bio-degradable products including plastics, fuel and textiles.
* Importantly for the region, a Yorkshire hemp supply chain can empower small local communities by providing local manufacturing and industry together with wider opportunities with local supply and service businesses.
* Yorkshire was once the textile manufacturing centre of the world – with investment into a Yorkshire based supply chain it could be feasible to develop sustainable manufacturing once again with a significantly lower carbon footprint compared to off-shore production.
* Although the size of the UK hemp cultivation sector is currently extremely small, there is already significant innovation and pioneering research being developed in the sector through work at the University of York (plus other leading institutions).

**2d. Market Sectors and Development Opportunities**

Hemp is known to offer many diverse industrial applications some of which are already being developed in the Yorkshire region. Sectors include:

* Plant protein
* Bioplastics
* Biofuels
* **Construction materials\*** (see note below and ***Appendix 2***).
* Food and beverages
* Food supplements
* Textiles and fashion
* Paper
* Composite panels (Automotive industry)

The scale of opportunity for industrial applications is considerable and global. The worldwide movement towards creating environmentally responsible manufactured products places industrial hemp at the forefront of product innovation, with major societal and economic benefits possible. For example, *“It has been calculated that the serial implementation of lightweight biomaterials on high volume vehicles will deliver a reduction of 40,000 tons of CO2 emissions and the ability to drive an additional 325 million kilometres with the same quantity of fuel.” – Autocar Pro News Desk 18 March, 2018*

**\*Construction Materials** - The YNY LEP Low Carbon team are already developing a project to explore Bio based and Circular Construction in Yorkshire (BaCCY) and this project forms part of the overall Carbon Neutral Circular Economy strategy. One of the output of this Yorkshire Hemp Supply Chain project will be to feed into and inform BaCCY as shown at high-level in ***Appendix 2****.* *”.* Assuming the two pieces of work will be undertaken in a similar timeframe, it is expected that the successful bidders for each piece of work will have an initial meeting to discuss methodology and overlap in order to minimise the potential for conflicting or confusing results. If the timelines are staggered, the project team for the front-running study must commit to a hand-over meeting with the second project team to pass over a clear understanding of methodologies used. See ***Appendix 3*** for potential interaction or crossover points between the two projects, where deemed appropriate.

1. **Yorkshire Hemp Supply Chain – Aims, Objectives and Outputs**

**3a. Aims:**

The successful delivery of this project will:

1. Map out the Hemp production supply chain (farm to finished product)
2. Gather intelligence on current supplier requirements to support, in the development of our regional SME’s with an ambition to grow
3. Inform on the opportunities to further develop the supply chain associated with hemp production in the region and therefore support any further projects and funding bids.

Note: It is anticipated that central Government may make additional funding available for regional development and as such, the LEP are working on the expectation that there may be an opportunity to bid for further funds soon.

Beyond the imminent expectation of government funding, we anticipate that this project will identify specific opportunities for our regional SME community as well as for investment, be it public or private, beyond early 2021.

**3b. Project Objectives:**

**Key Business Objective:**

As stated above in the Project Overview, we want to understand the current Yorkshire based hemp supply chain and what the short term and long-term opportunities are.

**Key Project Objectives:**

To gain a detailed understanding of:

* The current supply chain associated with the growing of hemp and production of hemp based products in the Yorkshire region. An end-to-end supply chain mapping exercise is required.
	+ Detail current organisations/businesses associated with the primary supply chain bringing together relevant organisations.
	+ Detail the relationships between the primary suppliers and customers (up and down the supply chain)
	+ Quantify existing capacities
	+ Detail all channels or vertical sectors (e.g. Construction, Textiles etc.)
* What are the opportunities to make the current supply chain more effective and resilient perhaps by improved use of local SMEs as suppliers?
	+ What are the gaps in the supply chain currently (where are services being carried out outside the region)?
	+ Explore opportunities for improvements in the supply chain process (i.e. where is the centre of gravity? Can local suppliers be used to reduce road miles? e.g. suppliers of packaging, transport etc.)
* Where are the opportunities for future improvements to the Yorkshire supply chain?
	+ New technologies
	+ Improved visibility (i.e. control tower approach, digital techniques)
	+ Investment
	+ Skills
	+ Environmental policy

**3c. Project Milestones and Timescales:**

|  |  |
| --- | --- |
| 1. Tender advertised
 | w/c 23rd November 2020 |
| 1. Final submission of queries and questions regarding tender
 | Noon Monday 14th December 2020 |
| 1. **Closing date for submissions**
 | **Noon on 21st December 2020** |
| 1. Scoring of submissions
 | w/c 21st December 2020 |
| 1. Notification to successful applicant
 | By 24th December 2020 |
| 1. Inception meeting and agreement of approach
 | w/c 4th January 2021 |
| 1. Delivery of Contract
 | 11th January – 7th March 2021 |
| 1. Regular project Updates
 | Fortnightly during contract delivery  |
| 1. Final Project Presentation
 | w/c 8th March 2021 |

**3d. Budget**

Quotations for this work is expected to be in the region of £10,000

**3e. Scoring and Evaluation**

Responses to this brief will be scored using a price: quality ratio of 15:85.

Scores will be on a scale of 0 -10 dependent on how bidders respond to the brief.

Submissions should clearly demonstrate:

* Capabilities and experience to deliver the brief
* Evidence of similar work undertaken
* Capacity to undertake work in the required timeframe
* Details on the team / consultant and proportion of time to be allocated
* Your proposed approach
* Your proposed format for presenting the outcomes of the brief

See scoring and award criteria set out in Appendix 4 & 5

Questions about the specification should be directed to Ben Wright via email ben.wright@eastriding.gov.uk by Noon Monday the 14th December 2020

If you are interested in this opportunity responses should be sent to Ben Wright via email ben.wright@eastriding.gov.uk by Noon on Monday 21st December 2020

**Appendix 1.**

* Organisations already identified as being involved in the primary hemp supply chain in Yorkshire:



**Appendix 2.**

It is expected that the output of this Yorkshire Hemp Supply Chain project could signpost vertical markets for hemp production in the region.



The YNY LEP Low Carbon team are already developing a project to explore Bio based and Circular Construction in Yorkshire (BaCCY) and this project forms part of the overall Carbon Neutral Circular Economy strategy. Potential interaction points between the two projects are shown in ***Appendix 3.***

**Appendix 3:**

Interaction points between Yorkshire Hemp Supply Chain Project (YHSCP) and “Assessing the potential of Bio-based and Circular Construction in Yorkshire” (BaCCY). The matrix below is a simplification of the BaCCY study’s Annex 1, Matrix of expected aspects of the route-map developed under the study, with areas of cross-over identified.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Feedstock** | **Materials** | **Design** | **Commissioning and Contracting** | **Construction** | **Monitoring and Evaluation** |
| **Map existing capacity**  | * Types (straw, hemp, timber, etc.)
* Locations
* Volumes available

Theoretical property numbers (%age of house builds) | * On-farm processing
* Transportation
* Storage
* Manufacturing (e.g. hempcrete blocks)
* On-site processing

Volumes feedstock processed | **YHSCP** | **YHSCP** | **YHSCP** |  |
| **Outline feasible uplift** | Maximising the above within the geography’s context |
| **Propose actions to generate uplift** | * Cropping changes

Harvesting needs | * New manufacturing capability
* Certification

Marketing | **YHSCP** | **YHSCP** | **YHSCP** |  |
| **Identify knowledge gaps** | **e.g. impacts on farming, impacts on biodiversity** | e.g. performance, multi-material performance, LCAs |  |  |  |  |
| **Identify and propose mitigation to risks** |  |  |  |  |  |  |
| **Detail expected impacts of uplift** |  |  |  |  |  |  |

(Note: A detailed version of the BaCCY template is available upon request for greater understanding and awareness of the project)

**Appendix 4:**

**Scoring Criteria**

|  |  |
| --- | --- |
| **Score** | **Criteria for awarding the score** |
| 0  | Complete failure to grasp/reflect the issue or does not provide a proposal. |
| 1 -2 | Serious weaknesses, or does not address the question in a meaningful way. |
| 3 - 4 | The proposal falls short of the expected standard and reflects limited understanding missing some aspects. Significant weakness or risks associated with the answer. |
| 5 -6  | The proposal meets the required standard in most material respects but is lacking or inconsistent in others. |
| 7 – 8  | Good understanding and interpretation of requirements. |
| 9 – 10  | Excellent understanding and interpretation. Innovative and proactive with a sound strategy. |

**Appendix 5:**

**Award Criteria**

|  |  |  |  |
| --- | --- | --- | --- |
| **Criteria** | **Weighting** | **Assessment Method** | **Description**  |
| Quality and Competency  | 60% | Submission  | 1.1 Expertise, experience and qualifications of Project Team/Consultant (40%) 1.2 Content specific to opportunity (40%) 1.3 Reporting outcomes, added value (20%) |
| Project Management  | 15%  | Submission | Approach and methodology to be taken including indication of Project Team / Consultant time, timetable for delivery (100%)  |
| Evidence  | 10% | Submission | Quality of evidence to support submission (100%) |
| Price  | 15% | Submission  | The lowest overall bid will receive full marks. All other offers will be scored a comparative mark, by calculating the percentage difference between them and the offer which achieved the highest mark, and deducting this from the highest available mark. e.g. Company A price = £1000 (10 points) Company B price = £1250 Score for company B will be calculated as: 10 – (((1250 – 1000) / 1000)\*10) = 7.5 points |