Making a difference through sustainable procurement

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Why is environmental sustainability important to us?

• Global problem
• Government policy and legal compliance
• Waste of financial and physical resources
• Local environment
• The moral offset question
• Reputation
Early days

- Pre-2008
  - Separate Environmental Office and Energy Team

- 2008
  - Existing Environmental Policy adopted

- 2009
  - Carbon Management Plan 2010 - 2020

- 2010
  - Energy and Carbon Reduction Project launched

- 2011
  - Existing Travel Plan adopted

- 2012
  - Review of Environmental Policy instigated

- 2013
  - Environment and Energy Section created
Where we are today?

- Undergraduate education: First Class
- Research: First Class
- Environmental performance: Third Class
- Achievement of environmental targets: Fail
Target of 34% absolute reduction from 2005 level by 2020
Why is environmental sustainability difficult for us?

- Disconnect between a global future and a personal present
- Lack of local information, accountability and capacity
- Feeling that individuals cannot make a difference at institutional level
- Planning system separates capital and recurrent expenditure
- Devolution of many purchasing and design decisions to departmental and individual level
Environmental Policy Review

- Environmental Policy Review Committee
- Evidence gathering – Lent Term 2014
  - Verbal evidence from 18 individuals
  - Written evidence
  - Online questionnaire – 526 responses
- Consultative report – Michaelmas Term 2014
  - Fourteen written responses
  - Presented at 13 meetings of Committees, School Councils and groups
- Discussed at Council Strategic Meeting – March 2015
To contribute to society through the pursuit of education, learning, and research at the highest international levels of excellence

Concern for sustainability and the relationship with the environment

The University is committed to making a positive impact through outstanding environmental sustainability performance
Environmental Sustainability Framework

**Underpinning principles**

- **To build on our academic excellence to enable positive change through our research, knowledge-transfer, learning and education**

- **To protect and enhance the natural environment by reducing our direct environmental impact**

- **To create a culture where the University community is engaged, empowered and supported in improving their personal and collective environmental sustainability practices**

- **To maximise the wider positive impact of the University’s environmental sustainability actions at local, national and international level through communication, collaboration, partnership-working and advocacy**
Environmental Sustainability Framework

**Priority Areas**
- Reduce carbon emissions
- Conserve natural resources
- Positive impact through teaching and research

**Key impacts**
- Energy consumption
- Water use
- Biodiversity and ecosystems
- Resource and waste management
- Generation and application of knowledge
- Graduates with sustainability skills, knowledge and understanding
Environmental Sustainability Framework

**Supporting Approaches**

- Energy and carbon management
- Sustainable construction and refurbishment
- Sustainable travel
- Sustainable procurement
- Environmental Management System
- Partnership and engagement
- Integrating sustainability into research
- Integrating sustainability into teaching
- Strategic research initiatives
Sustainable procurement

Overarching aim

• To positively influence the sustainability performance of suppliers and the sustainability credentials of the goods and services that we purchase.
  • Will be supported by a Sustainable Procurement Policy

Targets

• That central University procurement frameworks are more attractive financially, more environmentally friendly and faster than other routes, and therefore, more institutions use them.
• To achieve at least level 4 ‘Enhance’ across all themes of the Sustainable Procurement Flexible Framework by December 2015.
• For Institutions to consider sustainability criteria within their procurement activity.
Some Highlighted Recommendations

**Recommendation 4:** An Environmental Sustainability Strategy Committee is established from 1 October 2015 to deliver the proposed policy and strategy.

**Recommendation 16:** A Sustainable Procurement Policy covering all aspects of sustainability (environmental, social and economic) should be developed and adopted.
Sustainable Procurement definition

• “A process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the organisation, but also to society and the economy, whilst minimising damage to the environment.”

Source: Procuring the Future 2006
Sustainable Procurement objectives

• comply with all relevant legislation and regulatory requirements
• promote sustainable awareness and assessment amongst suppliers and contractors
• procure sustainable products and services
• reduce the environmental sustainability impacts of construction and refurbishment projects.
• Include Environmental, economic and social aspects when specifying specific good or services.
• include sustainable criteria when evaluating offers from potential suppliers
• promote awareness of sustainable issues and considerations within the user community
• develop measures of our sustainable practice using sector standards
• use the measures developed to monitor our sustainable practice with a view to seek continual improvement
• use the results of the monitored practice to benchmark our performance against similar organisations
• analyse the benchmarked performance to identify areas of practice for improvement
Supporting economic, social and environmental aspects of sustainability

Central contracts will be assessed to ensure that:

• Corporate governance, financial robustness and attractiveness are strong, innovation capacity along with business integrity and ethics has also been considered.

• Equality and diversity questionnaire would have been completed covering employment practice, people management and Human rights compliance. Contracts for services will have consideration to the working conditions and fair wages.

• Environmental questionnaire would have been completed and consideration will be given to sustainable sourcing, energy and water usage, Carbon emissions and Waste management.

• Contracts for goods will include options to purchase environmentally friendly items which will be easily identifiable on the webpages and marketplace.
Why is sustainable procurement important?

Total carbon CO$_2$e emissions (tonnes) – 2012/13
Demand exceeds supply

Finite Resources

Sustainability

 Infinite growth
Demand exceeds supply
Positive Sustainability

Increase the positive contribution of your organisation
- Social Contribution
- Customer Satisfaction
  - Financial value
  - Brand value
  - Staff Wellbeing
- Community benefit

Reduce the negative impact of your organisation
- Carbon Impact
  - Transport
  - Waste
Key elements in enabling sustainable procurement
# Original assessment against sector Flexible Framework

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<thead>
<tr>
<th>People</th>
<th>Tactical</th>
<th>Planned</th>
<th>Superior</th>
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<tbody>
<tr>
<td>Foundation Level 1</td>
<td>Embed Level 2</td>
<td>Practice Level 3</td>
<td>Enhance Level 4</td>
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<tr>
<td>Sustainable procurement champion identified. Procurement staff have received basic training in sustainable procurement principles. Sustainable procurement is included as part of a key employee induction programme.</td>
<td>All procurement staff have received basic training in sustainable procurement principles. Key staff have received advanced training on sustainable procurement principles.</td>
<td>Targeted refresh training on latest sustainable procurement principles. Performance objectives and appraisal include sustainable procurement factors. Simple incentive programme in place.</td>
<td>Sustainable procurement included in competencies and selection criteria. Sustainable procurement is included as part of employee induction programme.</td>
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<th>Policy, Strategy &amp; Communications</th>
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<td>Agree overarching sustainability objectives. Simple sustainable procurement policy in place endorsed by CEO. Communicate to staff and key suppliers.</td>
<td>Review and enhance sustainable procurement policy, in particular consider supplier engagement. Ensure it is part of a wider Sustainable Development strategy. Communicate to staff, suppliers and key stakeholders.</td>
<td>Augment the sustainable procurement policy into a strategy covering risk, process integration, marketing, supplier engagement, measurement and a review process. Strategy endorsed by CEO.</td>
<td>Review and enhance the sustainable procurement strategy, in particular recognising the potential of new technologies, by to link strategy to EMS and include in overall corporate strategy.</td>
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<th>Procurement Process</th>
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<td>Expenditure analysis undertaken and key sustainability impacts identified. Key contracts start to include general sustainability criteria. Contracts awarded on the basis of value for money, not lowest price. Procurers adopt Quick Win.</td>
<td>Detailed expenditure analysis undertaken, key sustainability risks assessed and used for prioritisation. Sustainability is considered at an early stage in the procurement process of most contracts. Whole-life-cost analysis adopted.</td>
<td>All contracts are assessed for general sustainability risks and management actions identified. Risks managed throughout all stages of the procurement process. Targets to improve sustainability are agreed with key suppliers.</td>
<td>Detailed sustainability risks assessed for high impact contracts. Project/contract sustainability governance is in place. A life-cycle approach to cost/impact assessment is applied.</td>
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<td>Key supplier spend analysis undertaken and high sustainability impact suppliers identified. Key suppliers targeted for engagement and views on procurement policy sought.</td>
<td>Detailed supplier spend analysis undertaken. General programme of supplier engagement initiated, with senior manager involvement.</td>
<td>Targeted supplier engagement programme in place, promoting continual sustainability improvement. Two-way communication between procurer and supplier exists with incentives. Supply chains for key spend areas have been mapped.</td>
<td>Key suppliers targeted for intensive development. Sustainability audits and supply chain improvement programmes in place. Achievements are formally recorded. CEO involved in the supplier engagement programme.</td>
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<td>Key sustainability impacts of procurement activity have been identified.</td>
<td>Detailed appraisal of the sustainability impacts of the procurement activity has been undertaken. Measures implemented to manage the identified high risk impact areas.</td>
<td>Sustainability measures refined from general departmental measures to include individual procurers and are linked to development objectives.</td>
<td>Measures are integrated into a balanced scorecard approach reflecting both input and output. Comparison is made with peer organisations. Benefit statements have been produced.</td>
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# Environmental Considerations

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<tr>
<th>Category</th>
<th>Reductions</th>
<th>Promotions</th>
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| Emissions      | • Emissions to air  
                 • Emissions to water  
                 • Impact on Climate Change  
                 • Impact on population’s health |                                                                           |
| Waste          | • Solid waste  
                 • Liquid wastes  
                 • Hazardous wastes  
                 • Packaging  
                 • Landfill |                                                                           |
| Raw Materials  |                                                                           | • Sustainable resources                                                   |
| Energy Usage   |                                                                           | • Energy use  
                 • Business travel  
                 Promotion of:  
                 • Energy efficient products;  
                 • Renewable energy |                                                                           |
| Habitat        |                                                                           | • Impact on habitat  
                 • Loss of biodiversity                                                    |
Social Considerations

Employment Opportunities

- Youth employment & older workers
- Gender balance
- Employment of persons from minority groups
- Job skill development programmes
- Inclusive and accessible work environments

Equality & Human Rights

- Access to training
- Gender equality
- Access to basic social protection
- Diversity
- Health and safety throughout the supply chain, including sub-contractors

Social Inclusion

- Equal access to procurement opportunities of firms owned by/employing persons from ethnic/minority groups
- Access to employment for persons with special needs to enhance their employability to secure decent work
- Language/cultural skills & knowledge
  - E.g. making information available in other languages, reflecting different cultural requirements in service provision
- Documents written in simple language which is easy to understand
- Use of reserved contracts to restrict the tendering process to supported businesses only

Accessibility & Design for All

- Mandatory requirements in technical specifications to ensure access by persons with disabilities
Supplier Diversity

Enabling greater access for all suppliers by:
• Engaging early with suppliers to advise of forthcoming opportunities
• Advertising the requirement in easily accessible places e.g. Public Contracts Scotland
• Ensuring sub-contracting opportunities are visible
• Ensuring equal terms for sub-contractors
• Encouraging supply base collaboration

Supporting suppliers’ competitiveness by considering:
• Contract terms & conditions
• Payment terms, including terms relating to payment to sub-contractors
• Using output based specifications so the supplier can define the solution to your requirement

Competitiveness

Reducing the cost/burden of participation by:
• Ensuring the requirements in the pre-qualification documents and tender documents are proportionate to the value and complexity of the contract
• Using plain English and avoiding the use of jargon in documentation
• Considering the use of lotting strategies

Providing economic benefits to the community by:
• Using community benefit clauses
• Using collaboration with other buying organisations to reduce cost disparities
• Whole life costing to identify the most economic solution
Areas of focus

- CSI engagement program
- Guidance Review
- Sustainable Procurement Policy
- Level 4 of flexible framework
- Supplier Engagement
- Communication Strategy
- Review OGC Buying Standards
- Training
- Commodity impact analysis
- Web Site page

Procurement Services
Five things you can do

• Build your requirements using whole life costing techniques
• Consider energy consumption when purchasing equipment
• Look for green alternatives when purchasing general commodities
• Support the University’s Fairtrade Status by purchasing Fairtrade products
• Think responsibly…a little goes a long way.
Questions....

BUILDING FOR A BETTER FUTURE

capabilities, collaboration, consideration