

+ Next Steps in Sustainable Procurement: Level 3 of the Flexible Framework

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July 2010

+ Workshop overview

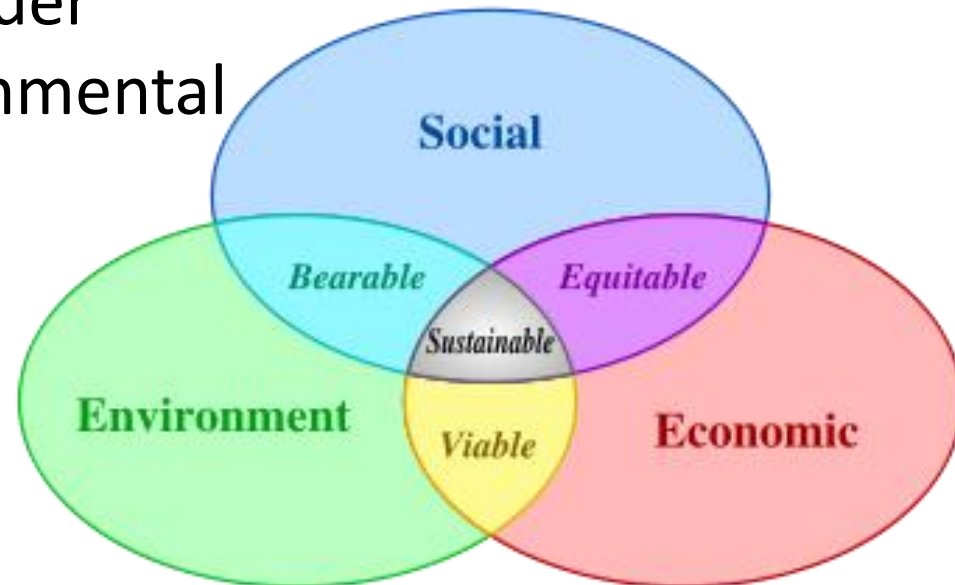
- Recap on the context, principles and practice of sustainable procurement
- Update on recent developments and guidance
- Participative workshop on the key objectives at Level 3 of the Flexible Framework
- Discussion on making progress in the sector

+ Recap on sustainable procurement principles

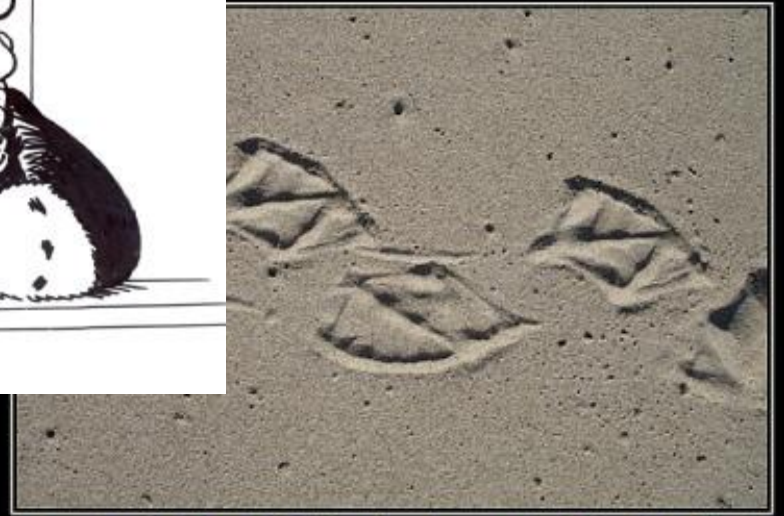
Minimising environmental and social impacts of purchases in balance with economic factors

“Procurement to support wider economic, social and environmental objectives in ways that offer real long-term value”.

UK Government
Sustainable Procurement
Task force



**I has a money.
What I do wif it?**



REPUTATION

We will be known forever by the tracks we leave.
-American Indian Proverb



+ Hidden costs



- 240 kg (530 pounds) of fossil fuels
- 22 kg (48 pounds) of chemicals
- 1.5 tonnes of water
- 60kg waste
- 81% of the energy consumed during a computer's life cycle is during production

+ Our society must adapt!



+ Strategies and Targets

“ A university’s procurement policy is one of its strongest ways of supporting sustainability”

“The UK should be a leader in sustainable public procurement in the EU by 2009

The Flexible Framework - Level 3 with area in level 5 by 2009

July 2005/20
July 2005/20
July 2005/20


July 2005/20
Policy development
Statement of policy
This report is for information

This document sets out proposals for providing the sustainable development agenda following the 2002 summit on sustainable development (WSSD). It includes a strategic statement and an action plan. We intend to review our approach by the end of 2007.

Sustainable development in higher education

HM Government

Securing the future
delivering UK sustainable development strategy

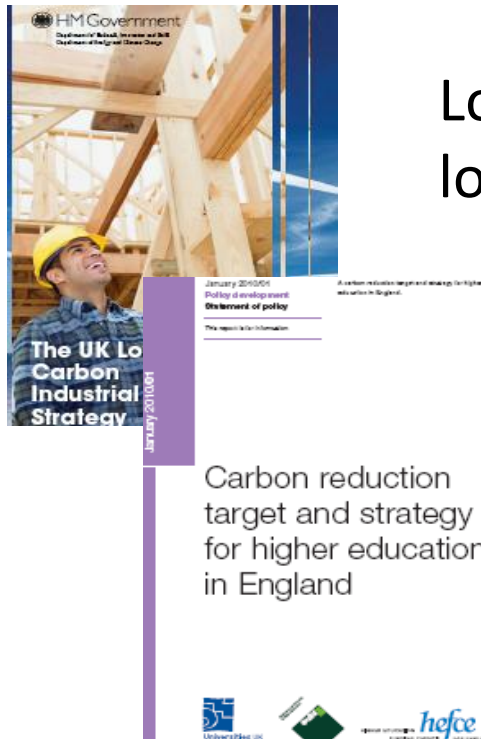


Procuring the Future
Sustainable Procurement National Action Plan:
Recommendations from the Sustainable Procurement Task Force

+ Strategies and targets



European target: 50 % Green public procurement (GPP) to by 2010



Low carbon procurement a priority for delivering low carbon economic activity

Scope 3 emissions baseline for HE by 2012, emissions reduction target by 2013

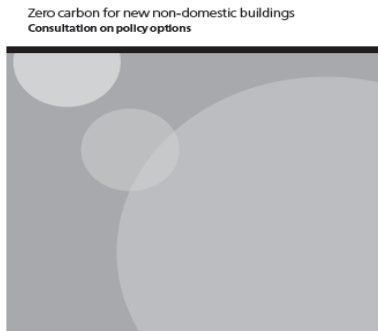
+ Strategies and targets



80% of universities and colleges in Scotland have signed up - a 5-year Climate Change Action Plan, emissions reduction targets including sustainable procurement.



Most Universities will have to buy carbon allowances and will be rewarded and penalised on performance.



“All new non-domestic buildings should be zero carbon from 2019, with the public sector leading the way from 2018.”

+ Sector Response

What Price Sustainability?

A pioneering project by the EAUC to support universities, colleges and students procure price



EAUC Sustainable Procurement Project and EAUC CPD Training

SPCE



The Sustainable Procurement Centre of Excellence

Build capacity , influence supply chains; address process issues; develop measurement and monitoring tools



Green Gown Awards 2010

Sustainable Procurement Category



UKaid
From the Department for International Development

Promoting Poverty Aware Procurement on Campus: Commodity information sheets, guidelines, videos, podcasts

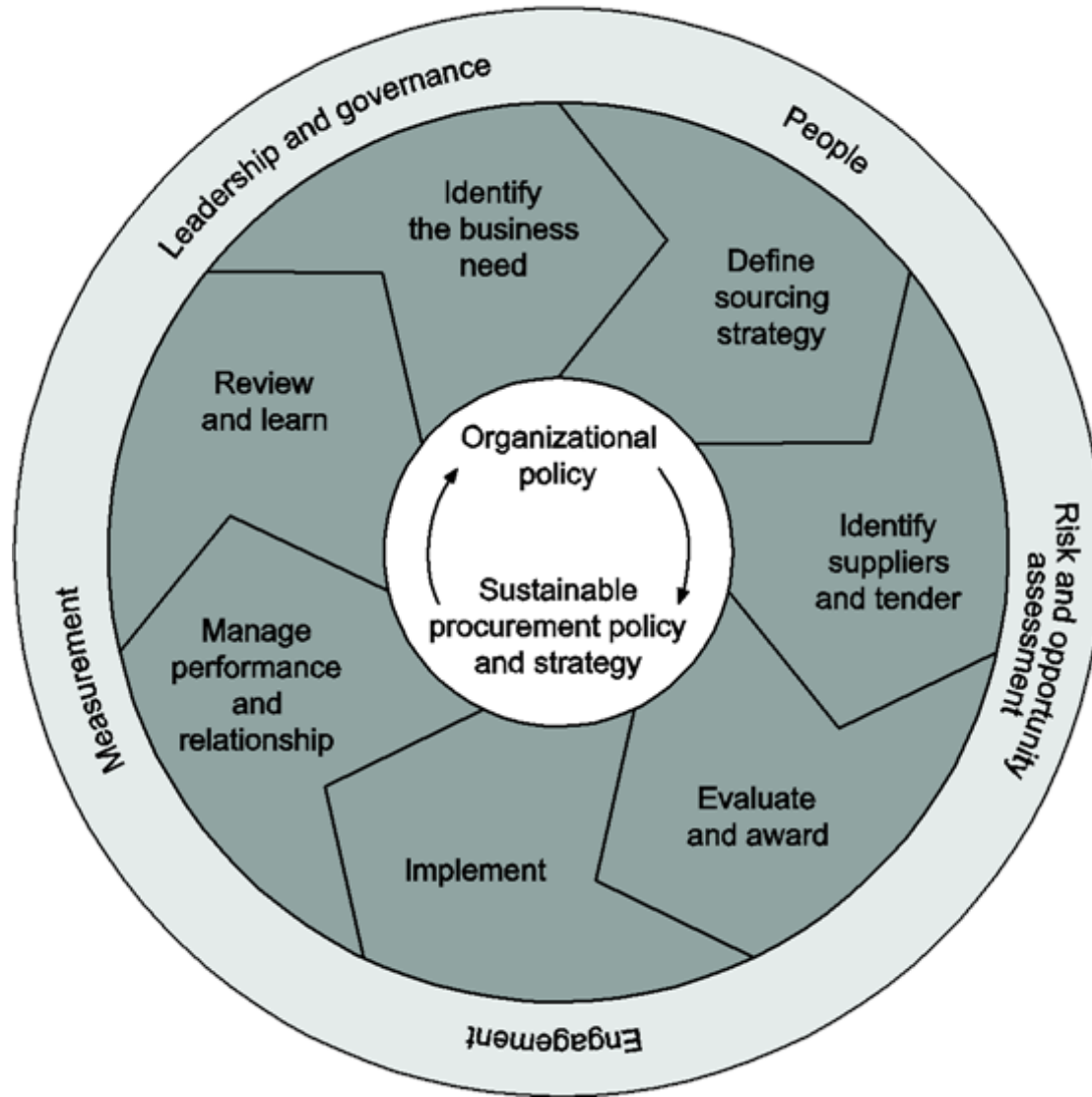
+ The Flexible Framework – Building Blocks for Progress

+ Building blocks for progress – key behavioural and operational change programmes, the facets of good procurement across 5 levels

- 1. People**
- 2. Policy, Strategy & Communications**
- 3. Procurement Process**
- 4. Engaging Suppliers**
- 5. Measurement & Results.**



+ Recent developments: BS8903



+ Key objectives: Level 3 of the Flexible Framework

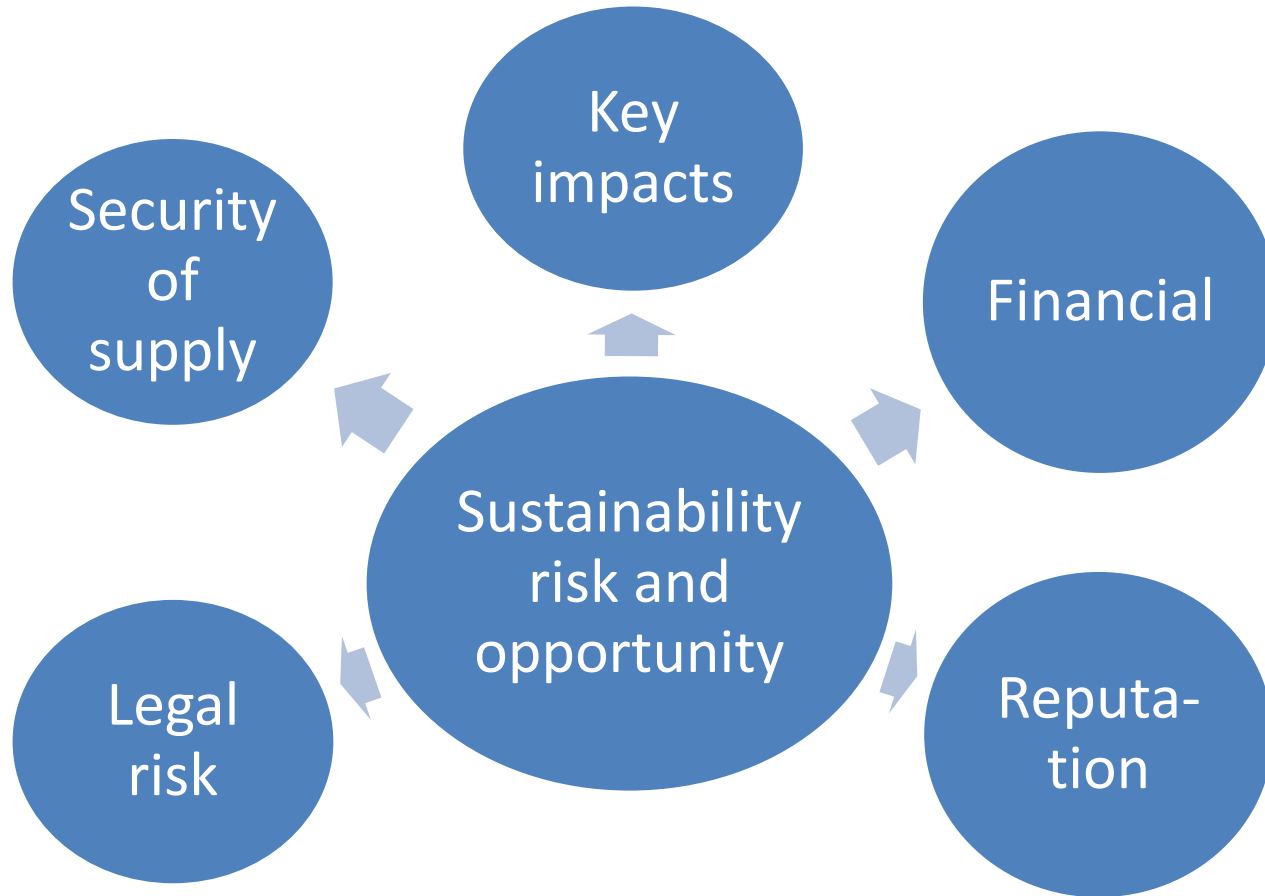
- Advanced/refresher training, performance objectives and incentives
- Producing a Sustainable Procurement Strategy
- Managing risks throughout the procurement process
- Promoting continuous improvement in the supply chain



+ Sustainable procurement strategy

- The FHE sector is in its infancy in developing Sustainable Procurement Strategy
- Wider public and private sector examples
- The Flexible Framework asks for some specific content:
 - Focus on risk
 - Process Integration
 - Marketing
 - Supplier engagement
 - Measurement and review process

+ Risk and opportunity



What should you be considering within these key areas when producing your strategy?

+ Process integration

Adopt an integrated approach:

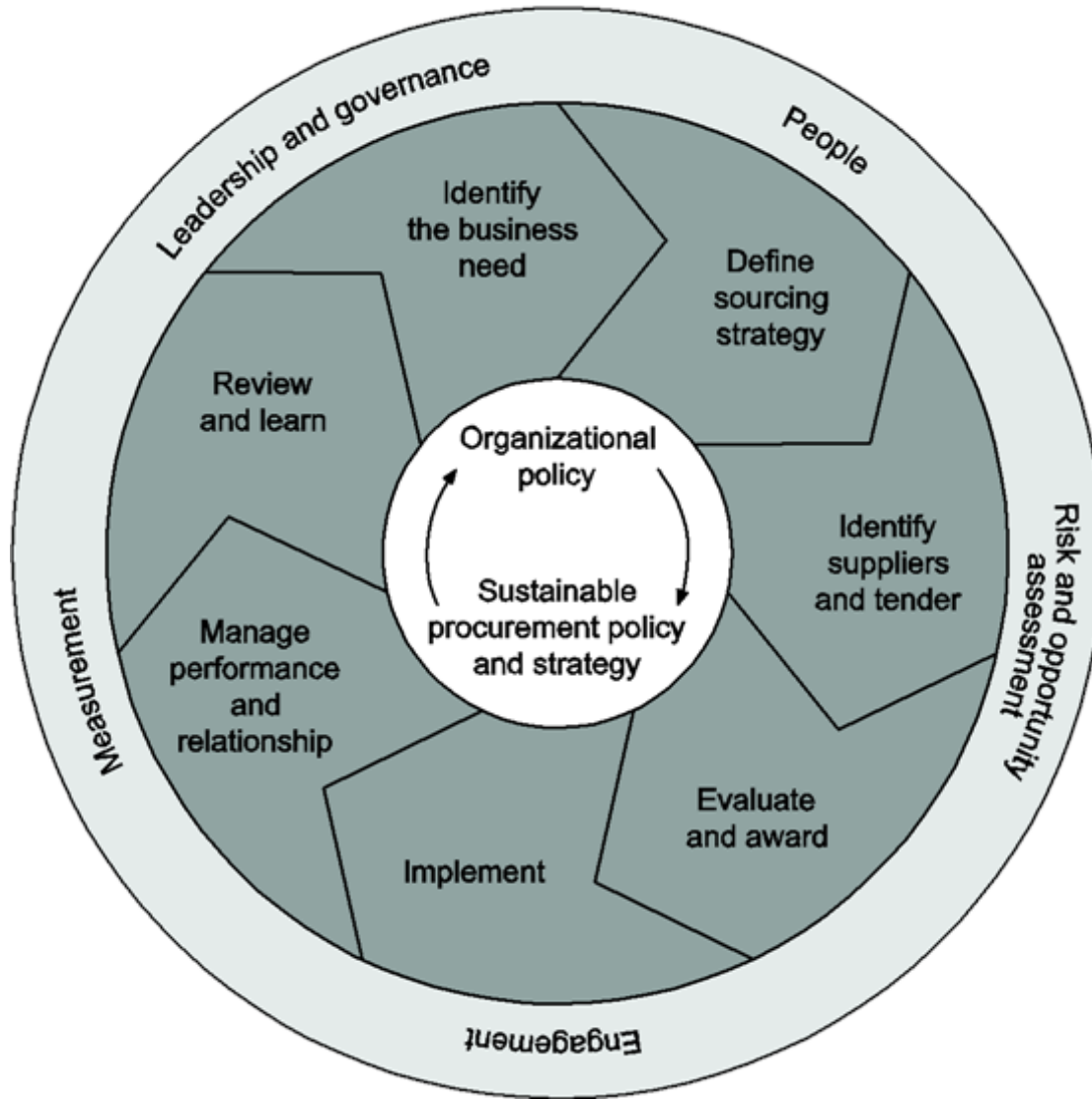
- Make links with wider policy, strategy and procedures
- Software solutions
- Collaboration with suppliers

Also consider new technology and innovation:

- Drive improvements throughout product life cycles

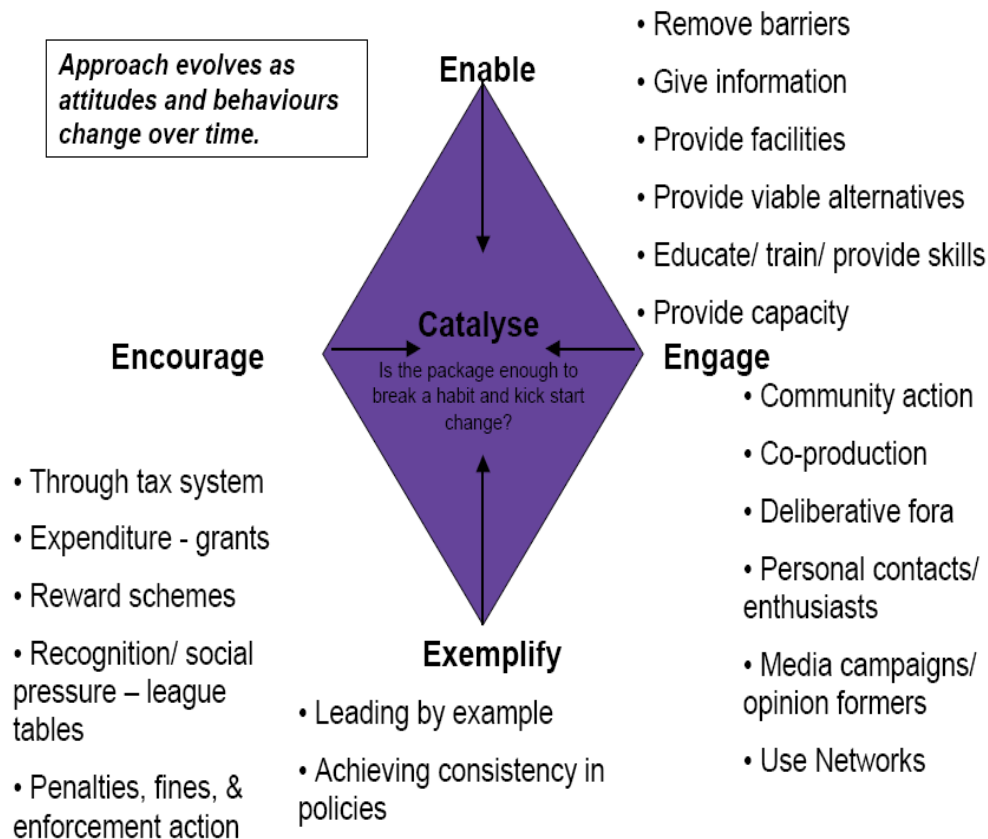


+ BS8903



+ Marketing and Communication

Approach evolves as attitudes and behaviours change over time.



Stakeholder analysis and multidimensional approach:

Who do you need to communicate your programme ?

What activities would you undertake in year 1 of the strategy?



People: Training

Requirements:

- Targeted refresher training
- Performance objectives
- Simple incentives

Level 3 'Measurements and results' also requires measures to be linked to be individual procurer development objectives.

Who do you target?

Include as a minimum:

- Key procurement staff
- High risk contract managers



Training: What do you cover?

Include recap and more in-depth workshop on embedding sustainability in the procurement process tailored to specific areas of work:

- Identifying need
- Supplier selection/sourcing
- Production of specification

Apply tools that you have introduced:

- GPP material
- Forum for the Future

Specific training:

- Sustainable Procurement 2010
- BS8903
- Measuring and monitoring carbon emissions

+ People: development objectives and incentives

Building competence and responsibility is crucial to enable best practice

Outline in your strategy as part of your objectives and targets

Development objectives may relate to

- Learning and development needs
- Specific aspects of Policy implementation
- Specific high risk contract procurement and management
- Implementation of specific processes e.g application of criteria and WLC

Ultimate incorporation into job descriptions?

Group exercise: In groups produce a list of specific development objectives that could be applied. Individually draft a list of staff members to apply the targets to. Are there any incentives that could apply?

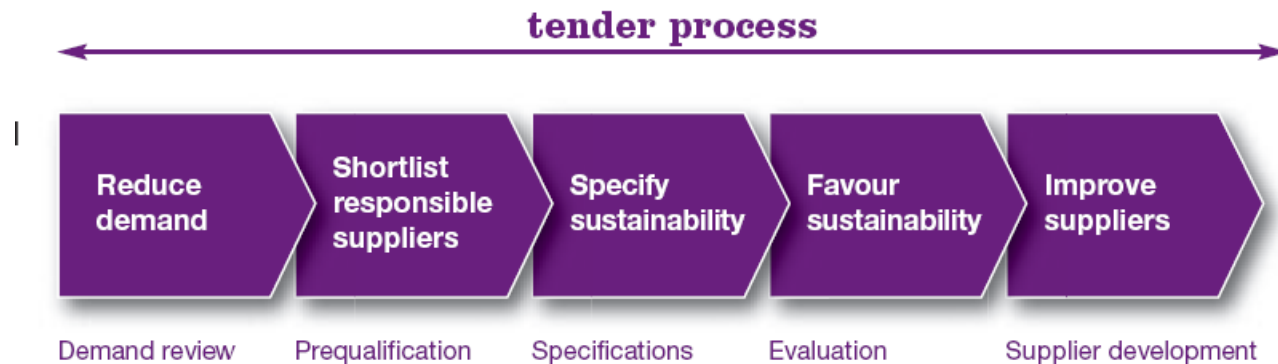
+ Procurement Process

Requirements:

- All contracts assessed for general sustainability risks
- Management actions identified
- Manage risk throughout the procurement process

+ Manage risk throughout the procurement process

Management action at an early stage in the procurement process is vital!



+ Assessment of sustainability risks

What criteria have you used to undertake your risk assessment?

High - Legislation applicable, extensive natural resources use/ pollution/ transportation/ threat to habitats/human rights issues

Med – No applicable legislation but some natural resources use/ pollution/ transportation/ threat to habitats/human rights issues

Expenditure - high medium and low to expenditure category

- Reputation
- Security of supply

+ Assessment of sustainability risks

Is any stakeholder concern evident?

- Management
- Employees
- Students
- Local Community
- Local Authorities/ Environment Agency
- Strategic Business Partners
- Professional Bodies
- Funding Bodies


Input to risk register – would this effect your high risk contract list?

+ Manage risk throughout the procurement process

Identification of need – can you reduce consumption?



Supplier selection/sourcing - what sustainable options are available? what legal, reputational and long term financial issues apply?




Production of specification – ensure all sustainability requirements are included and related to the subject matter, relate to overarching sustainability objectives.


Pre-qualification – general questions and also tailored to the specification and overarching sustainability objectives, site visit?



Tender issue and evaluation – relating to your specification: apply sustainability minimum standards, evaluation criteria and weighting with pre-defined scoring methodology, Whole Life Costing, Life Cycle Assessment and Supplier Audit, sustainability staff part of interviews/site visits



Contract award and implementation– good news stories, inform unsuccessful suppliers in relation to sustainability, KPI's and action plans



Manage performance – review meetings, balanced scorecard methodology

+ Manage risk throughout the procurement process

In groups outline some examples of how you could apply management actions throughout the procurement process to some of your high risk contracts.

Example: Identification of need.

High risk contract: Copier Paper

- Reduction of need through utilisation of electronic resources

Implement 'think before you print' campaign for support and academic staff by July 2010

- Reduction of need through duplex printing

Procure duplex printing units for 50% of LRC printers by Dec 2010: Responsibility:

Procurement assistant and LRC technician

- Reduction in incentives for bulk buying

Discontinue incentives for bulk internal reprographics by Dec 2010. Responsibility:

Procurement Assistant and Head of Reprographics

+ Refer to existing product sheets



Refer to the EU GPP Key commodity guidance throughout the tender process
http://ec.europa.eu/environment/gpp/toolkit_en.htm



Promoting Poverty Aware Procurement on Campus: Commodity information sheets, guidelines, videos, podcasts
www.eauc.org.uk

DEFRA. Buy Sustainable - Quick Wins.
<http://www.defra.gov.uk/sustainable/government/what/priority/consumption-production/quickWins/>

M18

fx

Step 2: Once you have minimised the demand for a product, use this Action Plan tool to identify steps to minimise the sustainability impacts of your purchase

SP Action Plan supplier selection, specifications, evaluation and development.

Current Impacts

Action

Sustainability Objective	Magnitude	Probability	Significance	Justification	Supplier Pre-qualification	Specification	Evaluation
Protecting human health			1			<p>Consider the type of evidence provided, its coverage across the supply chain and how practical it is to collect and verify. Beware of placing a disproportionate burden on smaller suppliers. For example:</p> <p>Evidence (relative to ILO standards):</p> <ul style="list-style-type: none"> - Statement of working practices - Human resources / labour policies - Self-assessment audit - Third party audit - Fairtrade or equivalent label - Site visit <p>Coverage:</p> <ul style="list-style-type: none"> - Tier 1 Supplier only - Tier 1 + major tier 2s - Full supply chain <p>International Labour Organisation Standards:</p> <p>These should form the minimum acceptable standards, including</p> <ul style="list-style-type: none"> - The prohibition of forced labour and labour in servitude or bondage (ILO Conventions 29 and 105) - No discrimination and equal remuneration (ILO Conventions 100 and 111) - The prohibition of child labour (children under 15 years of age) (ILO Conventions 138 and 182) - The right to freedom of association and the right to collective bargaining (ILO Conventions 87, 98, 135 and ILO Recommendation 143) - Weekly working hours restriction to 48 hours and a maximum of 12 hours voluntary overtime (ILO Convention 1) - The right to a living wage (ILO Conventions 26 and 161, and the Universal Declaration of Human Rights) - The employment relationship is stable and contractually regulated 	
Promoting fair working conditions			1				
Promoting social enterprise and improving local skills			1				
Promoting local employment and economy			1				
Reducing soil, water & air pollution			1				
Reducing energy consumption & climate change			1				
Reducing water consumption			1				
Reducing materials, packaging & waste			1				
Protecting habitats and biodiversity			1				

Produced by Forum for the Future. Contact Fiona Dowson at f.dowson@forumforthefuture.org.uk

This tool provides sustainability guidance only. Please consult legal advice on EU legislative issues.

Version 7.0/5/17.

+ Supplier engagement

Requirements:

Targeted supplier engagement programme in place, promoting continual sustainability improvement

Two way communication between procurer and supplier exists with incentives.

Supply chain mapping for key spend areas

+ Promoting continuous improvement in the supply chain

Focus on high risk contracts:

- Two way communication at monthly/quarterly review
- What are your suppliers objectives and targets?
- Is there an EMS in place. Any other British Standards?
- Request periodic performance reports
- Publicise good practice
- Specific initiatives and programmes

Agree targets

- Process improvement e.g. reduction in waste, carbon
- Business management e.g. Implementation of an EMS, Procurement Policy
- Operational improvement e.g. delivery days, minimum order value
- Behaviour change e.g. Competitions, website design
- Core list products

+ Supplier engagement

Level 1-2 Supplier engagement

Supplier engagement DEFRA's Story

The Approach – developed gradually through consultation

- Annual Conference with awards
- Quarterly Supplier Fora
- Group Workshops
- Individual workshops
- Sustainability action plans
- Involvement in wider sustainability strategy

Support and advice for businesses and organisations to help them reduce their sustainability impact:

- Toolkits
- Accreditation
- Awards
- Newsletter
- Free consultancy
- Promotional opportunities

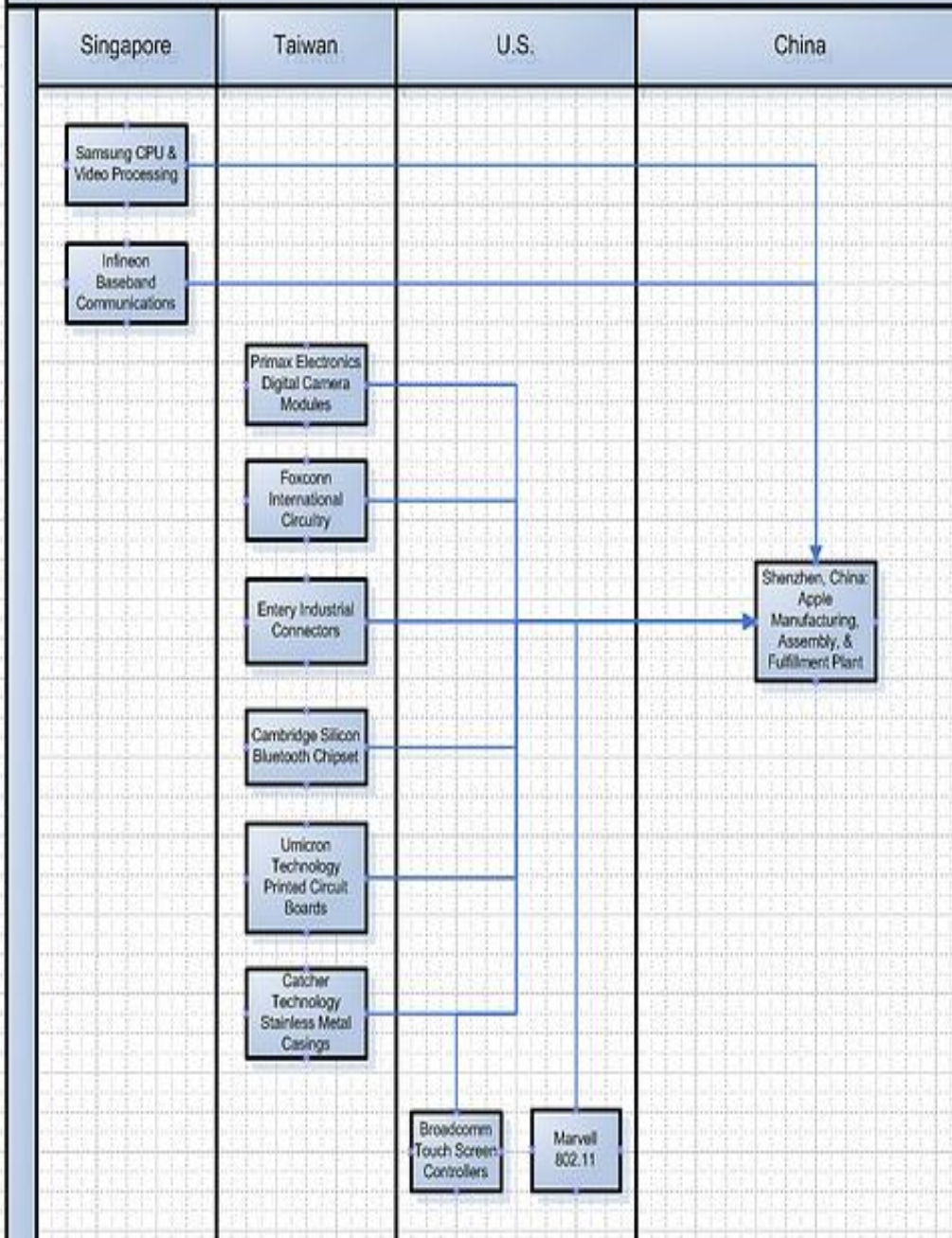
+ Promoting continuous improvement in the supply chain

Group exercise:

For a specific commodity area outline a range of objectives and targets for your supplier engagement programme to promote continuous improvement in the supply chain.

What incentives would you use to drive improvements.

Apple iPhone Supply Chain



Supply chain mapping

- + Focus on key spend areas
- + Allows identification and engagement with suppliers and processes in the supply chain
- + Can form the basis of life cycle assessment
- + Work in partnership with key suppliers
- + Keep it simple

+ Sustainable procurement strategy

Formulate objectives and targets:

Think:

Specific - e.g reduce waste and increase recycling through the waste contract

Measurable - e.g reduce waste by 10%

Accountable - e.g waste manager and procurement officer

Realistic - what technology, finance and time is available?

Time bound – by 2011

+ Some suggestions on structure

Explain concept and principles at outset

Present some initial analysis: e.g.

- Impacts of the procurement process?
- What are the risks to the organisation?
- What are your high risk contracts?

Include highlights of your achievements to date

Use your policy and/or the flexible framework in structuring the document

In each area explain your overall approach and then outline objectives and targets in appendices ?

Senior Management Foreword

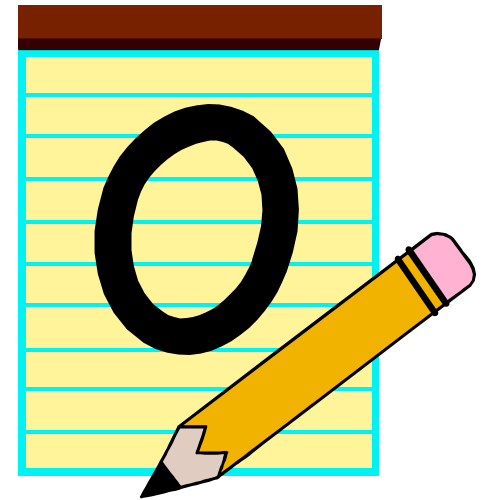
+ Plan for the Short, Medium and Long Term



Short Term



Medium Term



Long Term

+ Producing the strategy

Group exercise:

Consider the information discussed today and review the example strategies

In groups discuss your ideas on how you would structure your strategy and produce a contents page for your strategy

How do you make sure that the document is implemented

+ Where from here?

What are the barriers that you think you will need to overcome?

How will you overcome them?

What help do you need?

How can Universities work together?

+ Related Guidance

- + Forum for the Future, Buying a Better World
- + European Commission, Buying green! A handbook on environmental public procurement.
- + Forum for the Future and HEPS , Purchasing for Sustainability Guidance for Higher Education Institutions.
- + OGC, Social Issues in Purchasing.
- + OGC, Buy green and make a difference.
- + WRAP, Sustainable Procurement: Regional Guidelines, Sustainable Procurement: Making it happen.



+ Implementation Tools

+ EAUC Training Materials – Policy and Strategy, Social Issues, Supplier Engagement, Risk Based Approach, Train the Trainer

http://www.eauc.org.uk/training_materials

+ Forum for the Future, Sustainable Procurement tool. Available on request

<http://www.forumforthefuture.org/node/1407>

+ European Commission, GPP Toolkit. Training, Action Planning, Criteria – Legal and Practical

http://ec.europa.eu/environment/gpp/toolkit_en.htm

+ WRAP, Sustainable Procurement: Regional Guidelines, Tools

http://www.wrap.org.uk/nations_and_english_regions/english_regions/regional_case_studies_and_projects/sustainable_procurement_regional_guidelines/tools.html



+ Implementation Tools

+ DEFRA. Buy Sustainable - Quick Wins.

<http://www.defra.gov.uk/sustainable/government/what/priority/consumption-production/quickWins/>

+ Efficiency Measurement Model

<http://www.procureweb.ac.uk/2153>

+ Public Sector Food Procurement Initiative, Food Procurement Tools.

<http://www.defra.gov.uk/farm/policy/sustain/procurement/resources.htm>

+ Action Sustainability, Evaluation Tool.

http://www.actionsustainability.com/evaluation/flexible_framework/

+ Help and assistance



Delivering Sustainable Resource Solutions

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