

# University of Gloucestershire - Sustainable Procurement Guidance

## 1. Purpose and Context

This Guidance is intended as a user-friendly ‘how to’ tool for Contact Managers, Buyers and any other staff interested or involved in sustainable procurement at the University. It will help you to understand what sustainable procurement is and how you can put it into practice when making procurement decisions and as part of contract tender processes.

This guidance is aligned with the University’s Procurement Strategy and supersedes the previous ‘Procurement Guide – Social and Environmental Value, 2015’, also taking account of the University’s Equality and Diversity Policy.

The University is an acknowledged sector leader in sustainability and is proud of its progressive approach to improving sustainability practice and enabling staff and students to contribute to these goals. Responsible procurement is critical for increase the University’s positive impact, maximising value for money and sending business-to-business signals to suppliers and partners about the University’s priorities and its views of responsible trade in its day-to-day work.

The University’s *Strategic Plan 2017-2022* positions Sustainability as one of the key enablers for achieving its core strategic goals. It states:

*“The University is proud of our long-standing commitment to sustainability, and the international recognition we have secured for our leadership and innovation in this area.*

*We see sustainability as a force for transformative change across our academic activities, business operations, public outreach and the student experience.”*

The University’s Sustainability Strategy 2017-2022 has five key goals. Its Business Operations goal views sustainability as *“an essential corporate improvement priority”*. It states:

*“Sustainability is central to our duty as a responsible employer, to tackle negative impacts, create value and bring positive benefits for staff, students and surrounding communities.”*

Sustainable procurement is prioritized to increase operational gains: *“sustainability performance underpins our core operations, reducing our footprint and corporate risks, whilst increasing positive impacts and financial value to the institution”*. It is also a focus to strengthen business partnerships: *“sustainability collaboration extends through our procurement activities and civic partnerships, to address sustainability priorities with our stakeholders for mutual benefit.”*

Performance is measured through an annual sustainability report which includes specific indicators for progression on sustainable procurement, aligned with the University’s ISO 14001 accreditation and Carbon Management Plan.

## 2. Sustainable Procurement Objectives

This Guidance and the associated training and support for staff is a key element of meeting the University's objectives in sustainable procurement.

The University's *Procurement Strategy 2016-18* considers sustainable procurement as 'business as usual' and has clear objectives and actions for implementation. The objectives are to:

- Enable Buyers and Contract Managers to develop and apply their skills, experience and knowledge to support progress towards sustainable procurement objectives.
- Ensure that the sustainability considerations (environmental, social, economic) built into our procurement processes and methodologies continue to be implemented consistently.
- Develop bespoke sustainability considerations and requirements for individual procurement categories.
- Ensure contractual requirements continue to embed sustainable procurement objectives and maximise their contribution to the objectives in the forthcoming updated University sustainability strategy.
- Develop supplier awareness of sustainable procurement objectives, encourage them to continuously increase their contribution to these objectives and report progress.

The following monitoring objectives have been agreed for sustainable procurement:

- Annual review of performance on the Flexible Framework
- Annual review of sustainable procurement objectives for the Procurement Strategy, aligned to the Sustainability Strategy and reflected in annual sustainability reporting.
- Assessment of contracts identified as high sustainability priority using the current 'RAG system' and reporting on results part of the Contract Management Framework.
- Report of progress on sustainable procurement within the annual sustainability report that includes KPI's from the Contract Management Framework and progress on Flexible Framework.
- Monitoring and reporting on the number of high priority/ platinum contracts achieving third party verified ecolabels.
- The development of a resource bank, establishing input from lead buyers and contract managers to collate good practice case studies and report on contract performance.
- A briefing for Value for Money Committee each year on sustainable procurement.

March 2017

### 3. What is sustainable procurement?

Sustainable procurement considers the financial, environmental and social impacts throughout the process of sourcing and buying goods, services and works. It includes opportunities to raise awareness and demonstrate good practice.

A procurement exercise can be considered 'sustainable' when:

- purchasing needs have been assessed and best value for money has been achieved
- environmental and social impacts are understood and negative impacts reduced as far as possible
- opportunities to enhance positive reputation and promote education have been factored in.

The diagram below shows four aspects of sustainable procurement: Financial; Environmental; Social; and Reputational and Educational. A procurement decision is not sustainable unless all four are embedded into the process.



Throughout this Guidance the colour coding above is used to show how these aspects are put into practice

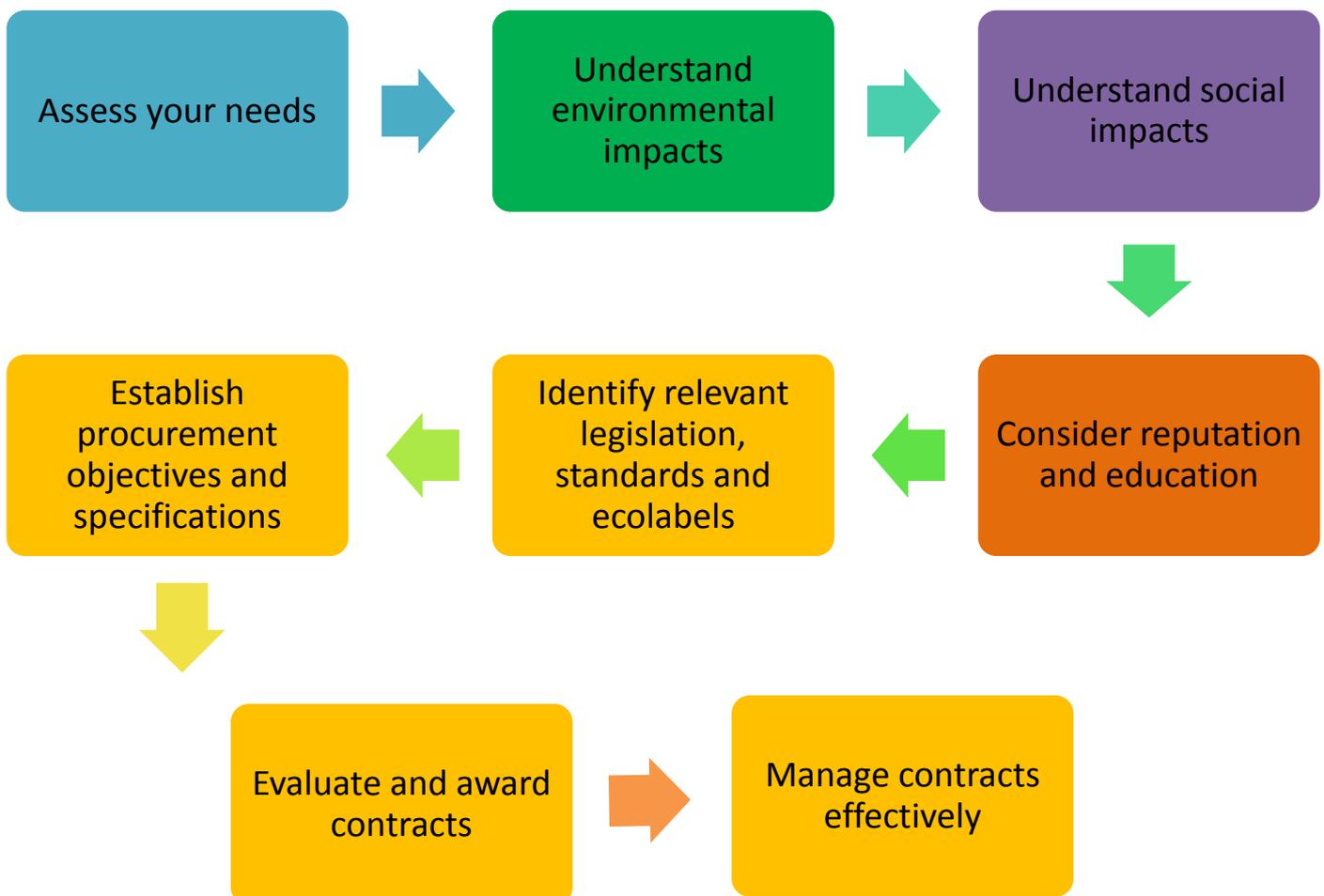
## 4. Putting sustainable procurement into practice

Procurement decisions need to be made when you:

- Select a supplier from a list of preferred suppliers that the University has chosen
- Select products from a preferred supplier
- Obtain a competitive quote
- Undertake a competitive tender exercise

To make sustainable procurement decisions, first think carefully about what you actually need and in what quantity. Then you need to understand the environmental and social impacts of the product or service you are procuring as well as identifying opportunities for reputation and education. This will allow you to ask suppliers relevant questions and set appropriate objectives, standards and specifications for sustainability. Finally, ensure that you have effective processes in place to ensure sustainability is embedded into tender evaluation, award and contract management.

This Guidance supports you to make sustainable procurement decisions by following these steps:



Staff involved with procurement should consider the following key principles:

Overall consumption should be minimised wherever possible.

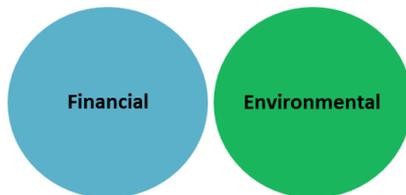
Suppliers need to meet legal requirements.

Environmental impacts resulting from use of resources, generation of waste, use of energy and pollution should be reduced as far possible.

International Labour Standards for worker's rights in the supply chain must be met and wider ethical issues should be considered.

Procurement decisions should consider reputational effects and set a positive example to students, staff visitors and partners.

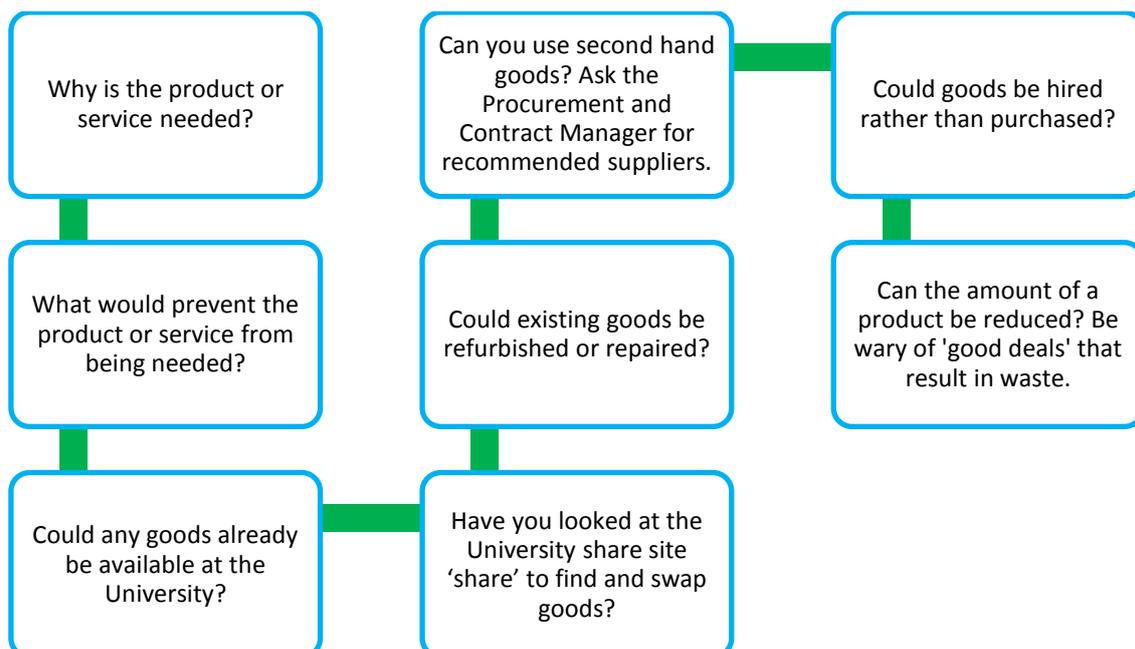
## 5. Needs review



Undertaking a needs review will allow you to reduce overall consumption. This is the best option financially and environmentally.

Undertaking a review of your needs is an important step in reducing consumption and sourcing the best value product or service, which has minimal environmental impact. You may be able to avoid a product or service being purchased in the first place, e.g. choosing teleconference or skype over travelling to a meeting, or by hiring or refurbishing goods.

Consider the following questions when you review the need for a product or service:



You can access the University's share site 'share' at <https://infonet.glos.ac.uk/departments/fandp/Pages/SHARE.aspx>

## 6. Understanding environmental impacts

### Environmental

Environmental impacts resulting from use of resources, generation of waste, use of energy and pollution should be reduced as far as possible. There are a wide range of environmental impacts that may occur throughout the supply chain of a product.

**Climate Change** resulting from human activities is a major threat to the global economy, environment and human health and wellbeing.

All products and services contribute to climate change when fossil fuels are burnt for energy in the production, use of goods and in transportation. When natural resources are used, carbon stores such as forests can also be reduced. At the end of a product's lifetime, energy will also be used to treat waste. Greenhouse gasses that contribute to climate change are also released from landfill sites.

**Pollution** occurs when harmful materials are released into the air, land or water. This causes damage to natural resources, human health and the environment.

Pollution may be caused during the extraction of raw materials, their manufacture, transport, use and disposal. The impact of pollution depend on its scale, how hazardous the material is and where it is released to in the environment.

**Depletion of natural resources** occurs whenever resources are used at a faster rate than they can be replenished. This is commonly the case and currently if everyone in the world used as resources as we do in the UK, we would need 3.5 planets to supply them.

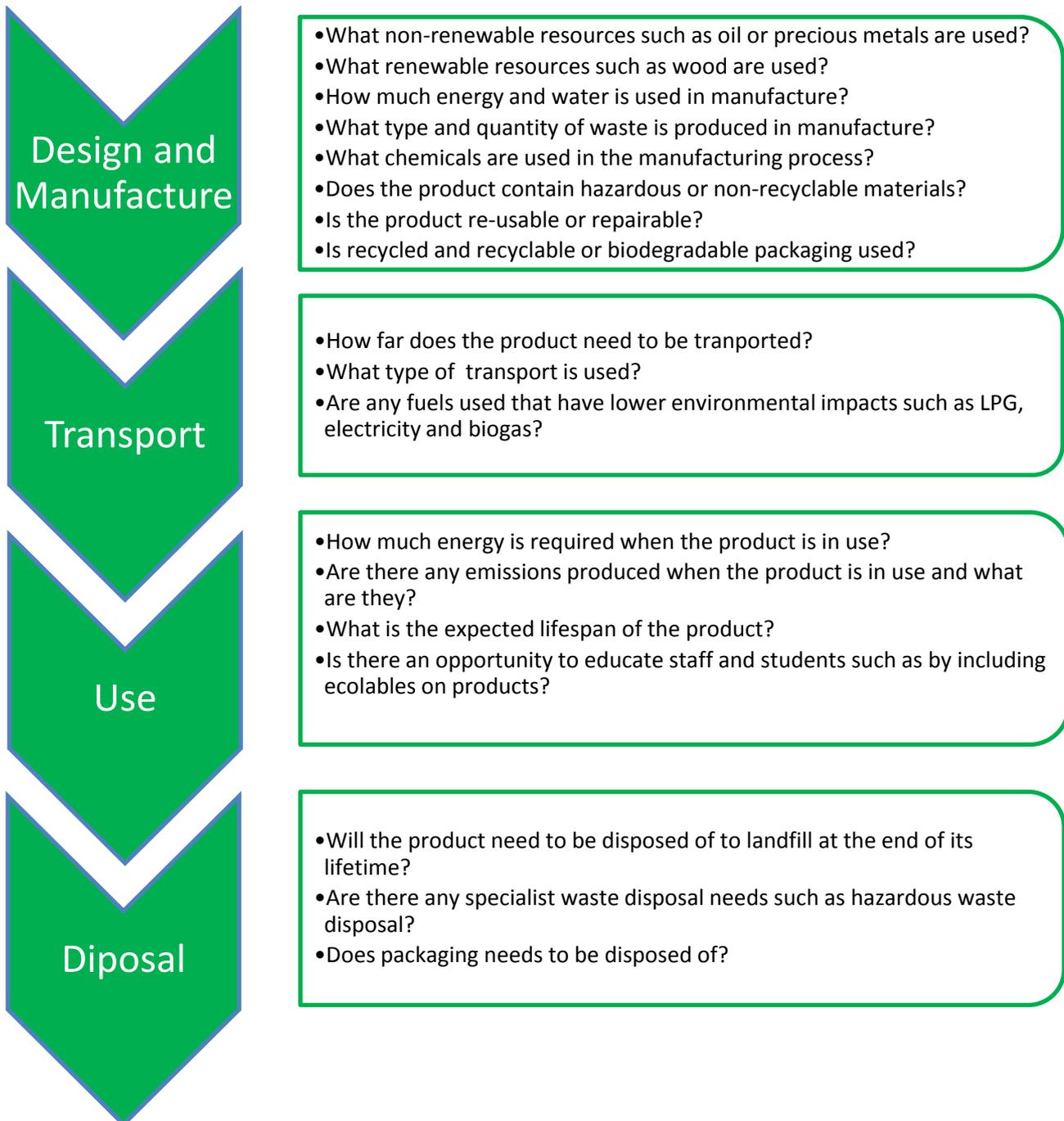
All products and services use some resources. These may be renewable resources such as wood or non- renewable resources such as oil and heavy metals. If renewable resources are managed carefully during extraction and at the end of a product's lifetime, it is possible for resource use to be sustained.

**Damage to species, habitats and ecosystems** occurs when resources are extracted, when pollution occurs and when transport and infrastructure reduces the extent and quality of habitats such as woodlands, heaths and grasslands.

**Loss of natural capital** occurs whenever an environmental impact occurs. The term 'natural capital' refers to the economic value of all resources and the services that environment provides us, such as agriculture, soils, clean water, air and climate regulation which make human life possible. At every stage of the supply chain it is possible to lose or to carefully manage our natural capital.

March 2017

Think about and ask suppliers the following questions at each stage of the supply chain shown below:



**Example of application: Considering environmental impacts in the supply of printer paper**

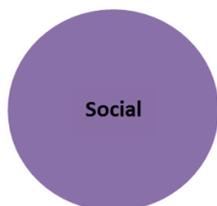
Manufacture: Use of wood products potentially leading to habitat damage, use of energy and water contributing to climate change, use of chlorine bleach potentially leading to pollution. Recycled and chlorine free options are available. Some companies implement an Environmental Management System to reduce production impacts.

Transportation: Paper is transported in lorries that use standard diesel fuel contributing to climate change. Some companies have policies to reduce number of journeys and deliveries. Paper produced in UK is available.

Use: Staff and students could be educated if paper packaging is shown to be sustainably produced.

Disposal: Paper and its packaging can be recycled. If it is segregated from other types of waste it is easier to recycle and the University could get rebates for the value of the material. Appropriate facilities should be provided in the vicinity.

## 7. Understanding social impacts



International Labour Standards for workers' rights in the supply chain must be met and wider ethical issues considered.

There are a wide range of social issues that may arise in the supply chain of products that you are looking to procure. The International Labour Organisation (ILO) sets labour standards and policies that all large suppliers with supply chains outside UK and EU to the University should conform to. A summary of some of the key items is provided on the following page.

Asking your supplier about compliance with International Labour Standards (ILO) standards is particularly relevant when you are sourcing goods from outside Europe. You should ask suppliers to provide evidence to show that ILO standards are being met and that there is continuous improvement in working standards. Evidence could include the implementation of the Social Accountability 8000 (SA8000) International Standard, Corporate Membership of the Ethical Trading Initiative and published audit results of labour standards.

For goods and services sourced within the UK and EU you should ask your supplier how they ensure compliance with UK and EU Employment Law. These laws cover the subject areas of the ILO. Links to further information are shown in section 14.

All commercial suppliers supply goods and services and that have turnover of £36m or more should also provide evidence that they comply with the Modern Slavery Act, 2015.

Alongside workers' rights you should consider wider ethical issues. The University's Equality and Diversity Policy should be consulted in procurement decisions and you should think about the following questions:

Are there any specific cultural or religious needs that need to be taken into account?

Is there an opportunity to promote the health and wellbeing of staff and students?

Are there any disability or equal opportunities implications of the procurement exercise?

Are there any animal welfare considerations that need to be taken into account?

**Some of the key issues managed by International Labour Organisation (ILO) standards and policies:**

**Working relations** - all workers should have the right to form Associations and Trade Unions and to negotiate fair employment arrangements.

**Forced labour and child labour** - no workers should be forced to work against their will and child labour needs to be strictly controlled including the implementation of ILO minimum working age.

**Employment security** - termination of employment should be fair and used as a last resort.

**Wages and working time** - Wages should be paid regularly, minimum wage levels should be in place and wages paid in case of employer insolvency. Standards for maximum working hours should be in place.

**Occupational health and safety** - Standards should be in place to provide for maximum health and safety at work.

**Social security and maternity protection** - Social security systems should provide for basic income in cases of unemployment, illness and injury, old age and retirement, invalidity, family responsibilities such as pregnancy and childcare, and loss of the family breadwinner.

**Maternity protection** - alongside paid maternity leave, protection needs to be in place to ensure employment is not lost due to pregnancy or maternity leave.

## 8. Considering reputation and education



Procurement decisions should consider reputational effects and set a positive example to students, staff visitors and partners.

Some products and services may offer a particular opportunity to educate staff, students and wider stakeholders of the University, providing high profile ways to demonstrate the University's good performance on sustainability.

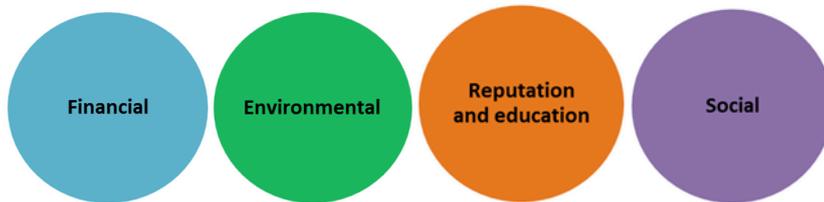
Some obvious examples of this are student giveaways and marketing literature. Many other items could also be highly visible and offer positive educational and reputational opportunities such as the provision of computers with a credible ecolabel. Services such as waste management and grounds maintenance also offer an excellent opportunity to educate students about sustainability in business practices.

### Consider the following questions regarding reputation and education:

- Who will be using the product or service?
- How will the product or service be used?
- Who could be influenced or affected by the product or service?
- How visible is the product or service?
- Is there a particular opportunity for education or reputation?
- Does the reputation or education opportunity warrant additional investment or a specific procurement approach?
- How can environmental and social specifications of the product or service be communicated?

March 2017

## 9. Establish procurement objectives and specifications



At this stage you would have understood the sustainability aspects of your product or service and will be ready to put in place procurement objectives and any related specifications. For all products and services, sustainability specifications should be outlined that are proportional to the sustainability impacts that you have identified. These objectives and specifications will directly influence the sustainability performance of the University and will help to stimulate economic markets for sustainable goods and services.

The University has undertaken a risk and impact assessment of all products, services and works that are procured and has identified a list of those that have been found to be of high priority for sustainability. Specific procurement objectives and approaches should be followed for these categories as outlined in the 'Implementation Tool' box below.

### Implementation Tool:

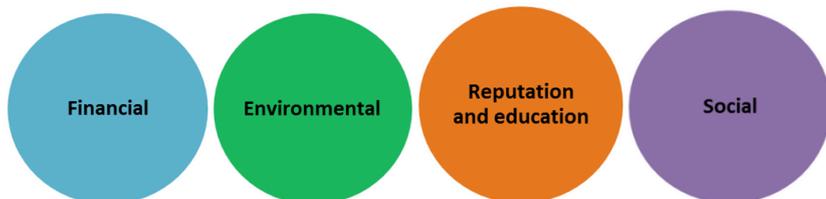
The accompanying excel tool sets procurement objectives, approaches and outlines some example specifications, where appropriate, for categories of expenditure that have been assessed to be of high priority. These categories of expenditure are listed below. The tool also outlines an approach and examples that can be used in all procurement categories.

- Accommodation and hotels
- Air travel
- Capital projects and building materials
- Car hire
- Cleaning products and services
- Coach hire
- Data hosting
- Decoration - paint
- Decoration - wood
- Desktop and laptop computers
- Electrical white goods
- Electricity
- Grounds maintenance
- Printing – publications and literature
- Fire extinguishers
- Furniture
- Package travel - field trips
- Paper for printers
- Stationary
- Telephones - land and mobile.
- Waste management
- Window cleaning



March 2017

## 10. Identifying relevant legislation, standards and ecolabels



Suppliers need to meet legal requirements relating to environmental and social standards.

By identifying the legislation, standards and ecolabels that apply to the product, service or works that you are looking to procure you will be able to ask for evidence that good environmental and social practices are in place.

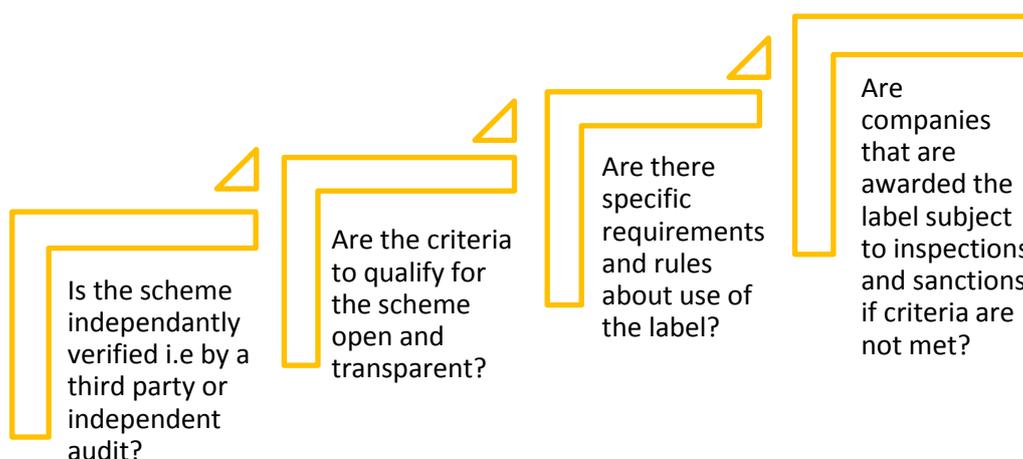
### Implementation Tool:

Accompanying this Guidance is an excel tool to help you identify key items of legislation, standards and independently verified ecolabels. In all cases applicable legislation must be adhered to.

By specifying certification to international sustainability standards, you will be asking an organisation to demonstrate that a system is in place for managing businesses practices. Procurers should ensure that all suppliers have a certified Environmental Management System or systematic approach to continuously improve environmental performance in place, as a minimum.

Ecolabels can demonstrate that the performance of a product has met minimum standards. There are hundreds of ecolabels, of varying credibility and robustness. The tool lists only those that are independently verified.

Consider asking the following questions of a supplier if they provide you with an ecolabel as evidence of good sustainability practice:



March 2017

### **Example of application:**

Suppliers of refrigerators, freezers and fridge-freezers should demonstrate compliance with the following legislation:

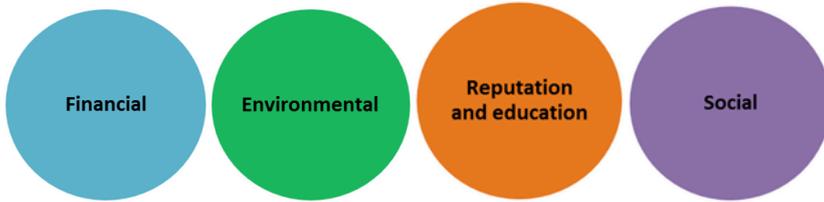
- The Modern Slavery Act, 2015
- The Producer Responsibility Obligations (Packaging Waste) Regulations, 2007 (as amended) and The Packaging (Essential Requirements) (Amendment) Regulations, 2013
- Waste Electrical and Electronic Regulations (WEEE), 2013
- Energy Efficiency (Refrigerators and Freezers) Regulations, 1997
- The Energy Information Regulations, 2011
- The Ecodesign for Energy-Related Products and Energy Information, 2010, as amended

The goods should be produced in a way that systematically manages environmental and social impact. This could be demonstrated by certification to ISO14001:2015 - Environmental management systems, Social Accountability 8000 (SA8000) International Standard and ISO 50001:2011 - Energy management systems. The supplier may also wish to outline how they implement guidance such as ISO 14006:2011 - Environmental management systems - Guidelines for incorporating eco-design and ISO 26000:2010 - Guidance on social responsibility.

The goods should meet at least A++ standards of the EU Energy Efficiency Label.

March 2017

## 11. Evaluate and award contracts

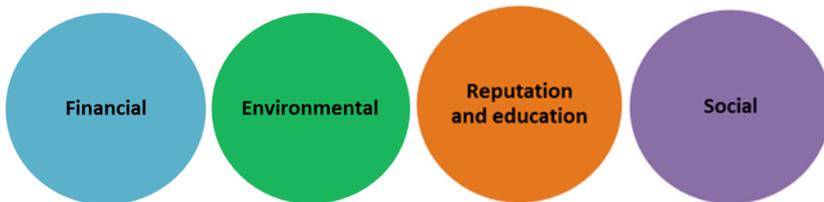


When a tender process is undertaken for a product or service, award criteria should be outlined that relate to the sustainability specifications in the same way as all other technical specifications. For categories of expenditure that have been determined to be high priority for sustainable procurement (See 9. Developing Procurement Objectives and Specifications) any contracts should include detailed specifications and minimum standards as outlined in the Implementation Tool that accompanies this Guidance.

Where an ongoing contract is put in place with a supplier and the University, it is imperative that all sustainability technical specifications are written into contract clauses alongside Key Performance Indicators as part of a monitoring and management regime. This regime will determine how sustainable a contract can be in practice.

The monitoring and management regime will include periodic meetings and potentially performance audits, reporting on sustainability performance and requirements to put in place corrective actions where performance standards are not met. Alongside this, generic sustainability KPI's should be reviewed periodically as part of the University's Contract Management Framework.

## 12. Manage contracts effectively



Once a contract that includes sustainability clauses has been awarded you should adopt the following checklist to ensure that there is effective implementation of the contractual requirements for sustainability:

- A briefing has been undertaken with key staff members involved with the contract and they understand the sustainability requirements.
- The supplier has outlined plans on how they intend to meet the sustainability requirements of the contract and continuously improve their performance. These plans should be specific, measurable and time bound.
- A member of staff is made responsible for the sustainability monitoring and management regime set as part of the contract. Appropriate action is scheduled as part of work plans and included in staff performance reviews.
- Performance is reviewed towards the end of contract timeframe and improvement plans are set for any forthcoming tender process.

March 2017

## 13. Putting it into practice

### i) Catering Contract Tender

Sustainability was identified as a key issue in the catering contract tender in 2016 and suppliers were requested to outline how they would address each element of the existing Sustainable Catering Policy. This included a range of policy commitments relating to environmental, social and ethical issues, as shown in the table below.

| Environmental, social and ethical issues  | Policy Commitments  |
|---|---|
| Use of human labour leading to potential labour standard issues in the supply chain.                                    | Promote social justice and equity through widespread availability and use of Fairtrade products.  |
| Use of animal products leading to potential animal welfare issues.  | Enhance the welfare of animals and a sustainable agricultural environment through the use of free range and organic products.   |
| Transportation of food leading to pollution and climate change.   | Support a vibrant local economy, strengthen community links and reduce food miles by using local and seasonal products.   |
| Use of resources and production of waste leading to potential loss of resources, pollution and climate change.          | Minimise environmental impact and resource use by reducing waste, rationalising transport and cutting consumption of energy and water.  |
| Provision of food for staff and students contributing to health and cultural standards.                                 | Promote equality and diversity by expanding the range and cultural variety of all Employer menus<br><br>Create an ethos of healthy eating and optimum nutrition by promoting healthy foods and avoiding the promotion of unhealthy options. |
| Provision of goods and information to staff and students, providing opportunities to raise awareness on sustainability. | Enhance student and staff engagement with regular and appealing communication on sustainable food issues  |

In order to evidence their sustainability performance suppliers were asked if they have achieved or working towards The Soil Association – Food For Life Catering Mark, Gold Award and to be a Signatory of the UN Global Compact, to be a Carbon Neutral company and a Chartered Institute of Procurement & Supply Sustainability Index rated company.

Suppliers were also asked to work in line with the University's Sustainability Policy and to sign a declaration that they would do so. Overall, sustainability accounted for 15% of the total score of the contract.

March 2017

## ii) National Netball Super League: Team Sports Kit for the 'Severn Stars'

In the procurement exercise for the team sports kit for the 'Severn Stars, key potential environmental and social impacts were identified:

- Use of labour overseas leading to potential human labour issues
- Use of cotton potentially requiring high amounts of fertiliser and pesticides when grown leading to pollution and loss of biodiversity
- Use of energy, water and the production of waste in manufacturing process leading to climate change and pollution
- Use of fuel in transportation of goods leading to climate change and pollution.

The following method statement was outlined in consideration of these impacts.

*The Severn Stars takes responsibility for sustainability and ethical sourcing seriously. Suppliers are therefore requested to comment on your supply chain, the name and location of the factories where products are manufactured, where materials are sourced from and the sustainability of the materials you are offering as part of this tender. Tenderers should ensure that all deliveries pay due regards to sustainability issues.*

*The Modern Slavery Act 2015 requires a transparency of the supply chain to ensure that slavery and human trafficking is not taking place, and we would expect tenderers to provide details of the steps you have taken to ensure this is adhered to.*

*Suppliers should let us know if they adopt the SA8000 Standard as an auditable certification standard based on International Labour Organisation (ILO) conventions, the Universal Declaration of Human Rights and the UN Convention on the Rights of the Child when sourcing their suppliers abroad.*

*The Severn Stars would like suppliers to consider if there is any fairly traded, organic (or equivalents) accredited cotton in the products that you are proposing, the other option is potential for any recycled content in the kit.*

In total 10 marks were awarded for the articulation of sustainability performance based on this method statement.

March 2017

## 14. Further Resources

The following resources have been selected as primary sources of information on sustainable procurement for the University.

### [European Commission - Buying Green: A Handbook on Green Public Procurement, 3<sup>rd</sup> Edition](#)

Outlines the possibilities to pursue Green Public Procurement under the 2014 Procurement Directives. Guidance includes the procurement process, defining the requirements of the contract, selecting and excluding tenderers, awarding a contract and contract performance clauses.

### [CIPS - Ethical and Sustainable Procurement](#)

Guidance from the Chartered Institute of Purchasing and Supply on how to embed sustainability considerations into procurement processes. Specific guidance on the tender process is provided on: Supplier market engagement and development of procurement plans, evaluating and shortlisting of suppliers, evaluating quotes or offers and preferred supplier selection, creation of contracts and managing contracts.

### [EAUC Sustainability Exchange - Procurement and Supplier Engagement](#)

An extensive resource bank for sustainable procurement in Further and Higher Education including guidance, case studies, research and news.

### [EU Labour Law - Employment, Social Affairs and Inclusion](#)

An overview of Employment Law relating the EU.

### [UK Labour Law - Employing people](#)

An overview of Employment Law relating to the UK.

### [UK Government - Sustainable Procurement Tools](#)

Summary and signposts to all guidance and resources on sustainable procurement that have been developed by the UK Government. This includes the Sustainable Procurement Flexible Framework, a benchmarking tool used within the FHE and wider public and private sectors.

### [WRAP - Sustainable Procurement Tools and Resources](#)

An extensive resource bank for Sustainable Procurement including free e-learning, research, guidance and case studies. Specific focus is given to facilities management, construction, ICT, furniture and textiles.