

Sustainable Procurement Review

University College London Union



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“A university’s procurement policy is one of its strongest ways of supporting sustainability. English higher education spends over £4 billion a year on non-pay costs. How that money is spent can have a great social and environmental impact.” HEFCE, 2008. Strategic Statement and Action Plan.

1. Sustainable procurement and government policy

Sustainable procurement is crucial in meeting the UK’s sustainable development objectives. The UK Government made “sustainable consumption and production” a key commitment of its Sustainable Development Strategy back in 2005. At this time the objective was set that the UK should be a leader within the EU on Sustainable Procurement by 2009. The EU have since also set ambitious goals and targets on sustainable procurement.

In response to the Sustainable Development Strategy, The Sustainable Procurement Task Force produced ‘Procuring the Future’ in 2006. This set out how the UK could deliver its sustainable purchasing objectives. A major focus of this was a Flexible Framework to guide Public Sector organisations to make sustainable procurement happen. The implementation of this Framework was further recommended in the UK Government’s Sustainable Procurement Action Plan, published in March 2007.

Building on this, sustainable procurement is now recognised as a key element in our transition to a low carbon economy. In November 2008, The Climate Change Act came into force making the UK the first country in the world to have a legally binding, long-term framework to cut carbon emissions. This will change the way we live and work. Targets to reduce carbon emissions are ambitious; against 1990 levels we need to make reductions of 22 % by 2012; 30 % by 2020; and 80 % by 2050.

The UK Low Carbon Transition Plan and the Low Carbon Industrial Strategy set out how savings mandated under the Climate Change Act can be made. Low carbon procurement is one of the priorities for delivering low carbon economic activity across the country. There is a significant focus on the UK low carbon environmental goods and services (LCEGS) market. This is currently worth £106 billion and employs 880,000 people directly or through the supply chain. It is expected that the LCEGS market will grow by over 4% per annum up to 2014/15.

2. Sustainable Procurement in the FHE Sector

The Further and Higher Education Sector have responded to national and international drivers through a range of initiatives. These include:

- The EAF EAUC Sustainable Procurement Project for Universities and Colleges
- EAUC Sustainable Procurement Training Programme for Universities and Colleges (Provided by Revise)
- Regional Purchasing Consortium Support and NEUPC Centre of Excellence in Sustainable Procurement
- SORTED – The Sustainability Resource Tool for the Further Education Sector, including guidance and best practice case studies on Sustainable Procurement.

HEFCE's Strategic Statement and Action Plan also identified Sustainable Procurement as a key priority for Sustainable Development in Higher Education and are working with sector bodies such as the UUK's Strategic Procurement Group and the Association of University Procurement Officers' (AUPO's) Sustainable Purchasing Group to support sustainable procurement in the sector.

Universities and Colleges are also starting to recognise the benefits that sustainable procurement offers. These include:

Improved spend control and cost reduction - Improving efficiency and streamlining resource use is a central premise of sustainable procurement. This can translate directly to cost savings within an organisation.

Improved supplier performance and better value services – through understanding and influencing your supply chain, risk is reduced and better value products and services can be secured.

Improved management control – through implementing improved monitoring practices and procedures organisations can gain improved management control over their procurement operation.

Sustainability and Corporate Social Responsibility – Sustainable Procurement is a core sustainability and CSR issue. Through implementing a sustainable procurement programme your organisation will be addressing key sustainability impacts and demonstrating that it is a responsible organisation. This offers significant reputational and branding benefits.

3. About Revise

Revise is a sustainability consultancy with a difference. We specialise in helping Universities and Colleges implement their sustainability vision, policies and plans, with a focus on embedding sustainability considerations within operating practices. Our approach is based on three core principles:

1. Working in partnership with our clients to deliver long term continuous improvement.
2. Developing and implementing best available technologies to aid the sustainable development of ourselves and our clients.
3. Implementing new ways of working through collaboration, knowledge sharing and behaviour change.

We offer comprehensive sustainability advice, assistance and training across a number of key service areas which include:

- Carbon Reduction Commitment Compliance;
- Carbon Management Planning;
- Waste and Resource Management;
- Sustainable Procurement;
- Environmental Management Systems;
- Biodiversity Management; and
- Corporate Social Responsibility.

We also specialise in the provision of software management tools to enable effective and consistent management and monitoring of sustainability performance.

For more information please contact visit our website www.revise-eu.com or contact:

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4. University College London Union sustainable procurement review - observations and recommendations

This review is intended as a brief assessment of sustainable procurement practices within the University College London Union (UCLU) in order to help drive improvements. The UK Government's Flexible Framework has been used as a tool to undertake this review. The Flexible Framework can also be used to guide the development of an action plan on sustainable procurement and is part of the document 'Procuring the Future'. The Flexible Framework is arranged around 5 key areas:

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

Procuring the Future and the Flexible Framework can be viewed at:

<http://www.defra.gov.uk/sustainable/government/publications/procurement-action-plan/index.htm>

The review has been undertaken through interviews with the following key staff members within UCLU:

- Dave Squires, UCLU General Manager;
- Chris Harding, UCLU House Manager;
- Tim Cary, UCLU Commercial Services Manager;
- Diana Hawk, UCLU Green Champion (PG Development worker);
- Craig Griffiths, Environment and Ethics Officer (student); and
- Josh Blacker, Education Officer (student sabbatical)

4.1 General Information

The University College London Union (UCLU) is the Students' Union for University College London. It is managed separately from the rest of the University and is run by permanent staff members and elected student sabbatical officers. The main function of UCLU is to represent the needs of all UCL students within the University and at local and national levels.

There are over 150 different clubs and societies within UCLU, with membership of approximately 6,000 students. The UCLU also has its own finance, communication and marketing teams which operate independently from the rest of the University with direct control over its procurement activities.

The UCLU runs bars, cafes, shops and the UCL Sports Ground. A number of events are held each year which the UCLU is also responsible for running and procuring for. UCLU purchases all food and drink sold within its managed bars, cafes and shops and is responsible for purchasing associated catering equipment and catering services for events held at the Sports Ground. Aside from food, the UCLU also purchases a significant amount of stationary for use within the offices, shop stock which includes clothing and Fairtrade products, grounds maintenance equipment and contracted personnel, and cleaning products.

4.2 People

The starting point to implementing a well planned sustainable procurement programme is to elect a Sustainable Procurement Champion. Sustainable Procurement is not currently included within the remit of the UCLU Green Champion. It is recommended that this role is designated with the following responsibilities:

- Co-ordinating sustainable procurement activities, projects and working groups;
- Undertaking best practice research;
- Undertaking gap analysis of sustainable procurement in the organisation;
- Production of sustainable procurement strategy, action plans and policy;
- Embedding sustainable procurement within the procurement process including producing specifications, applying sustainability criteria etc;
- Providing training and delivering behaviour change campaigns within the organisation;
- Engaging with suppliers;
- Disseminating progress within the organisation;
- Reporting to top level management, Procurement and Sustainability Committees; and
- Raising the agenda of sustainable procurement within the wider College.

It is also recommended that the Champion undertakes training in Sustainable Procurement and that basic training is provided to key staff members. The Sustainable Procurement Champion may be interested in attending the training that Revise is providing for the Environmental Association of Universities and Colleges in February. Details can be found out: <http://www.eauc.org.uk/events>

The following guidance documents and resources would be helpful in starting to understand the principles and practice of Sustainable Procurement and in preparing a training programme:

- Forum for the Future, Buying a Better World <http://www.forumforthefuture.org/buying-a-better-world>
- European Commission, Buying green! A handbook on environmental public procurement. http://ec.europa.eu/environment/gpp/pdf/buying_green_handbook_en.pdf
- Forum for the Future and HEPS, Purchasing for Sustainability Guidance for Higher Education Institutions. <http://www.forumforthefuture.org/node/957/>
- OGC, Social Issues in Purchasing. http://www.ogc.gov.uk/documents/Social_Issues_in_Purchasing.pdf
- OGC, Buy green and make a difference. http://www.ogc.gov.uk/documents/Social_Issues_in_Public_Procurement.pdf
- EAUC Training Materials – Policy and Strategy, Social Issues, Supplier Engagement, Risk Based Approach, Train the Trainer http://www.eauc.org.uk/training_materials

4.3 Policy, Strategy and Communications

UCL has a Sustainable Development Policy but this does not directly apply to the Union. UCLU does have a Sustainability Committee which is chaired and run by students. They meet every three weeks. UCLU is a Fairtrade Union and has a Fairtrade Policy. There is also an Ethical Investment Committee that has been influential in directing the University's investment decisions.

UCL is signed up to the 10:10 agreement, which pledges the College's commitment to reducing their carbon emissions by 10% by the end of 2010. By joining the agreement, UCL has committed to reducing its carbon emissions to as close to the 10% target as possible, with a minimum reduction of at least 3%. Within the scheme they are also responsible for encouraging their customers, staff and suppliers to sign up and reduce their emissions.

A carbon emissions reduction target of 10% by 2013 has been set by the college, however, the UCLU feels that this could be improved as it is not considered to represent a significant enough commitment.

UCLU has been working towards the Sound Environmental Impact Awards Bronze standard for approximately three years and are hoping to achieve the award in 2010. Sustainable procurement is

an area which is assessed and, in order for UCLU to achieve the Bronze standard, they must develop a bespoke Sustainability Policy.

The current Procurement Policy at UCL contains little reference to sustainable procurement specifically and is utilised more as a guideline for procurement staff to consider value for money, utilise approved suppliers where possible and cash value guidelines for tenders. The policy does not contain many product specific requirements, for example environmental or CSR requirements, but this is recognised by the College as an area of the policy that should be improved and expanded.

Awareness campaigns are undertaken within the UCLU and are predominantly run by the student represented UCLU Sustainability Committee. For example, a Green Guide has been produced and sent to all 5,000 students residing in the UCL's Halls of Residence. Sustainability reviews of local restaurants have also been published on their UCLU website and sustainability issues are promoted at Fresher's Fairs and as part of the Fairtrade Policy. There is an active People and Planet Group at the University. It is recommended that Sustainable Procurement briefing is provided to members and this group is used to help deliver awareness activities.

It is recognised that embedding policies throughout the UCL (and the UCLU) needs to be improved and that better internal communication is required. It is understood that policies, such as environmental and sustainability policies, are often drafted but take time before they are received by senior management, and are rarely signed off. This should be addressed through the Sustainability Committee which has senior management representation. It is recommended that a business case and basic training session is provided to enlist support.

Producing a Sustainable procurement Policy and Strategy will allow a planned approach to implementing initiatives and progressing the agenda. The Policy should be:

- Relevant to the nature and scale of the organisation
- An overarching vision statement
- Clear commitments made that are appropriate to the organisation.
- A succinct -a one-page document
- Appropriate language and terminology aimed at a variety of stakeholders.
- Subject to a consultation process – suppliers and staff
- Endorsed by senior management
- Regularly reviewed by a responsible committee

The strategy should be used to implement the policy and include realistic targets and responsibilities for implementation.

The documents recommended in 4.2 of this report would be helpful in devising a policy and strategy. It is recommended that the following issues are covered:

- Environmental, Social and Economic Issues in relation to procurement
- Links to key procurement sustainability impacts and procurement process
 - Whole Life costing
 - Reducing barriers to SME's

- Use of sustainability specification and criteria in the tender process
 - Specific impacts e.g. reduce carbon footprint, minimising waste, promote resource efficiency, corporate social responsibility
- A commitment to comply with legislation
 - A commitment to undertake risk and spend assessment and prioritisation
 - Links to Sustainability Policy, Procurement Policy and EMS
 - Supplier engagement to continuously improve the supply chain
 - Training and guidance for key staff members
 - Communicate with all relevant stakeholders
 - Share best practice and work in partnership with sector bodies
 - Monitor and report on progress

4.4 Procurement Process

The UCLU Commercial Team manages all purchasing for the Union, with the exception for some procurement associated with the Sports Ground which is managed by Sports Ground team. UCLU is also responsible for refurbishment and maintenance works undertaken within its premises and tender processes are undertaken for larger projects.

Cleaning and Ground Maintenance Contracts are also managed by UCLU and subject to a tender process. Energy and Waste is managed by the University but within the Sports Ground the UCLU is recharged for energy usage. As a member of the National Union of Students Services (NUSSL), UCLU uses the pre approved product list supplied for by NUSSL which are subject to basic sustainability appraisals.

Informal sustainable procurement procedures are in place. Environmental Impact is considered as part of the tender process on a case by case basis. Sustainability impacts of products and contracts were considered during the tender for the £5 million refurbishment of the Lewisham Building for example. Architects and planners were asked by the UCL to consider the energy efficiency of the design and the use of sustainable construction materials.

Some organisational expenditure analysis has been undertaken. Commercial spending is currently broken down into defined categories to help the UCLU monitor their spending and a product list has been produced. The sustainability impacts of the some of the product areas have been reviewed on a basic level. As part of the Sustainable procurement Policy and Strategy it is recommended that a risk assessment process is undertaken for product groups that have been listed. This would allow UCLU to prioritise efforts on high risk areas. These will include the cleaning, catering and grounds maintenance activities which should be subject to sustainability specifications, award criteria and supplier engagement and contract monitoring.

The Forum for the Future Guidance and their Sustainable Procurement tool would be useful in undertaking the risk assessment process. This is available on request at

<http://www.forumforthefuture.org/node/1407> . The European Commission, GPP Toolkit should also be referred to http://ec.europa.eu/environment/gpp/toolkit_en.htm.

Some quick win projects have been implemented. For example recycled or sustainably certified paper is used, a fruit and vegetable market is held at the Union and there are plans to introduce a discount in the UCLU's cafes and bars to those students who bring in and re-use their own cups. UCL and UCLU staff are not permitted to use domestic flights as a means of business transport to any destination within Great Britain and are required to use alternative public transport. Local food suppliers are also utilised. Other quick wins that have been identified but are yet to be implemented are the use of free-range eggs and organic food in catering activities.

4.5 Engaging Suppliers

Few supplier engagement activities are undertaken within the UCLU. The UCLU is considering longer contracts with its suppliers to ensure sustainability commitments can be implemented. Currently the majority of contracts, with the exception of the cleaning contract, are for one year only. Frequent contract management meetings are likely to be a requirement within the tender agreement for future refurbishment and construction projects at the college.

It is recommended that basic sustainability targets are set for suppliers in high risk product areas. These targets may include:

- Supplier reviews/meetings
- Communication of sustainability contract criteria
- Best practice communication in news items
- Co-ordinating activities according to supplier's own internal targets
- Holding meetings using teleconferencing or video conferencing
- Consolidation of supply/delivery
- Increasing the number of sustainably produced products
- Improving website design to indicate sustainably produced products
- Sustainably produced products as part of core list
- Reducing delivery days
- Increasing purchase order value
- e-procurement
- Best practice sharing and workshops

Engagement with NUSSL according to these targets could be initiated to improve the sustainability of core product ranges.

4.6 Measurement and Results

There are no measurement or reporting mechanisms in place at UCL. At a minimum it is recommended that the strategy includes a range of KPI's on which to measure and report progress. These KPI's may include:

- Number of training events for staff/suppliers
- Number of staff/suppliers attending training events
- Number of contracts awarded using sustainability criteria
- Number of contracts assessed using a Whole Life Costing process
- Number of related staff/students competitions/awards
- Number of related organisational e-mails/newsletter stories
- Relating to specific products or contracts, such as the:
 - Percentage of waste reduction
 - Percentage of sustainable timber products purchased
 - Percentage of reduction in energy consumption
 - Percentage of use of recycled paper

5.0 Further Assistance

Our staff have extensive experience working with Universities and Academic Institutions, providing a range of support services relating to sustainable procurement and its management.

For more information, please contact:

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