Sustainable Procurement Overview

“Sustainable Procurement is 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”.
Sustainable Procurement Task Force Definition (2006; UK Government)

Lancaster University has set out a clear vision in its strategic plan for 2020 which includes support of social and environmental objectives in ways that offer long-term benefits.
The University recognises that it is able to leverage its market power to make a positive impact and that adapting procuring sustainably can play an important part in supporting the University’s social and environmental goals.

The University has a Procurement Strategy which provides a framework for expenditure and is consistent with its environmental and social aims. It does not have a separate Sustainable Procurement Policy but seeks to embed best practice within its existing framework. Guidance is based on the best practice, standards and training provided by HEPA (The Higher Education Procurement Association), CIPS (The Chartered Institute of Procurement and Supply) and CCS Crown Commercial Services, (responsible for central government procurement) including the Sustainable Procurement Task Force Flexible Framework.

Key Aims
Sustainability in procurement processes should address the following key aims:
• Minimising demand for resources, for example, by reducing purchases, using resource-efficient products;
• Minimising negative impacts of goods, services and works, for example, the impact of any waste produced;
• Ensuring that fair contract prices and terms are applied, for example, that ethical employment standards are met;
• Providing opportunities for small and medium businesses. Particularly those operating in the local area.

Practical Steps for Sustainable Procurement
All members of the Procurement Team have undertaken Sustainable Procurement training and are well-placed to support individual buyers when establishing central contracts and purchasing specific one-off requirements.
Anyone buying on behalf of the University should as a minimum consider the following when making a purchase:
• Alternative means of acquisition such as borrowing, sharing or reusing;
• Include sustainable impact when creating specifications:
• Use sustainably sourced goods where available;
• Assess the total cost of ownership by considering running, maintenance and disposal costs;
• Dispose of unwanted items responsibly.
Online training on Sustainable Procurement is available free of charge to all Lancaster University staff at [http://www.hepa.ac.uk/elearning](http://www.hepa.ac.uk/elearning) (registration required)

**Lancaster University's Sustainable Procurement goals focus on five key areas:**

1. **People**
The University's aim is to ensure that all members of staff are appropriately trained in sustainable procurement and that they realise the purchasing decisions they make can have an impact. Once we have achieved this we will be seeking to publicise our achievements to attract procurement professionals, as well as sharing good practise policies with other Universities.

2. **Policy**
We aim to regularly review our sustainable procurement strategy and have it externally scrutinised. The strategy will be communicated widely across the University and recognised by the University Management Team. Once we have achieved level five on the 'Flexible Framework', a new strategy will be put in place to determine future priorities beyond the framework.

3. **Process**
Life-cycle analysis will be used wherever possible and sustainability targets will form part of the key suppliers KPIs. We will share best practice with other Universities and barriers to sustainable procurement will have been removed. We will also have detailed sustainability risks assessed for high impact contracts.

4. **Engagement with Suppliers**
Suppliers will be recognised as essential to the delivery of the University's sustainable procurement strategy. The University will place significant importance on suppliers sustainability credentials when awarding contracts and suppliers will recognise that they must continually improve their sustainability credentials in order to keep the University satisfied.

5. **Measurement and Results**
Our progress will be benchmarked against our peer organisations and benefits from our sustainable procurement policy will be clearly evidenced. In order to evidence this, independent audit reports will be available in the public domain.

**During 2017/18 we are undertaking the following activities to progress these goals:**

1. **People**
Training materials on sustainable procurement is available for all University staff members to use when making purchasing decisions, thus ensuring that sustainability is part of the decision making process when awarding a contract. All procurement department staff have undertaken targeted sustainable procurement training relevant to their role. Sustainability competency forms part of our selection criteria when recruiting and our procurement staff have sustainability objectives.

2. **Policy**
We have agreed that our sustainability objectives will be in-line with the Sustainable Procurement Flexible Framework; we have developed the key areas on which we need to focus on in order to improve and have incorporated these sustainability objectives.
into our procurement policy. This policy will be linked into the University’s 20/20 strategy.

3. Process
Sustainability is now considered at an early stage in the procurement process and where appropriate questions around sustainability form part of the award criteria. Contracts are now assessed for risk using the Marrakech risk register; suppliers that come up as either high or medium risk are then worked with on a further basis. Life cycle costing is now considered in the procurement process where appropriate in order to reflect the true cost of a purchasing decision. Detailed expenditure analysis is also undertaken that looks into holistic spend by category.

4. Engagement with Suppliers
We have created a general programme of engagement and encouraged all our suppliers to sign up to our sustainability tool. This tool enables us to better track what our suppliers are doing in terms of sustainability, the tool also helps develop our supplier’s policies around sustainability. We are targeting key suppliers through the contract management process and are working with them to help ensure that their sustainability targets are achieved.

5. Measurement and Results
We have looked into the different category areas and created sustainability impacts for them. The management of high risk areas will be incorporated into strategy plans and senior buyers will be expected to report on these areas are being managed. As part of our VFM report, we now also track soft benefits as well as financial and will produce a benefits statement.

Larissa Morrish, Head of Procurement
December 2017