

**The EAF Sustainable Procurement Project and how it links to -  
*Procuring the Future – Sustainable Procurement National Action Plan:  
Recommendations from the Sustainable Procurement Task Force.***

This brief paper introduces some of the key elements of the *Sustainable Procurement National Action Plan: Procuring the Future* and explores how the EAF Sustainable Procurement Project links to the recommendations contained within the plan.

#### Background to the Sustainable Procurement Task Force

Sustainable Procurement Task Force was set up to develop a National Action Plan for ensuring that public procurement fully contributes to sustainable development in the UK, reflecting the principles set out in the sustainable development strategy and the existing EU, domestic and legal framework governing public procurement. The Sustainable Procurement Task Force was established in May 2005 and was given one year in which to deliver the National Action Plan.

The Action Plan launched on 12<sup>th</sup> June 2006 sets out how to embed sustainable development considerations into procurement and investment decisions across the UK public sector to:

- Avoid adverse environmental impacts arising on the government estate and in the supply chain
- Make more efficient use of public resources
- Stimulate the market to innovate and to produce more cost effective and sustainable options for all purchasers
- Set an example for business and the public and demonstrate that government and the wider public sector is serious about sustainable development.

The Task Force was asked to:

- Clarify what sustainable procurement embraces;
- Collaborate with key organisations already active in the field of sustainable purchasing and supply-chain management and sustainable procurement initiatives;
- Liaise with the European Commission and OECD Secretariat over their work on national actions plans for “greener” public procurement;
- Engage with the major players in the public sector, its suppliers and UK business to secure their broad support to the action proposed.

The Task Force was business-led, reflecting both the corporate sector’s interest in the subject and Government’s recognition of suppliers’ and contractors’ role in delivering sustainable procurement across the public sector. It consisted of 33 members from the following sectors:

- Leading supply chain practitioners;
- Suppliers to the public sector and their trade associations;

- Central Government departments and their agencies;
- Local government;
- Non-governmental organisations and the voluntary and community sector;
- Professional bodies;
- Trade unions;
- Sustainable Development Commission;
- Devolved Administrations.

### **What are the key recommendations?**

The key task force produced 6 key recommendations:

#### **Recommendation 1: Lead by example**

The Task Force calls for government to clarify ownership of sustainable procurement and lead by example, they identified a lack of ownership and commitment within public sector organisations.

#### **Recommendation 2: Set clear priorities**

It is suggested that a fundamental starting point for sustainable procurement is for the policy and management framework to be clear. To be successful policies needed to be integrated into decision making processes within government.

#### **Recommendation 3: Raise the bar**

The Task Force call for a sense of urgency on sustainable procurement. Public sector organisations should be achieving minimum standards now and putting in place ambitious and demanding goal for the future.

#### **Recommendation 4: Build Capacity**

The Task Force call for further training and capacity building on sustainable development and sustainable procurement within the public sector.

#### **Recommendation 5: Remove Barriers**

The Task Force identified a failure by organisations to ensure budgetary mechanisms enable and support sustainable procurement. This often means long term benefits are lost at the expense of short term efficiency savings.

#### **Recommendation 6: Capture Opportunities**

The Task Force call for smarter engagement with the market to stimulate innovation and drive new products and services.

### **What do colleges and universities have to do?**

As well as identifying the high level recommendations the Sustainable Procurement National Action Plan identifies a number of specific actions for public sector procuring organisations. Using the Flexible Framework (see Appendix 1) the Plan then identifies milestones for organisations to measure progress and performance.

The action plan suggests that all colleges and universities should be at Level 1 on the Flexible Framework by April 2007 and at Level 3 by April 2009 the plan also suggests specific actions to help them achieve this.

To help universities and colleges as part of the EAUC / EAF project we have combined the action plan targets with the Flexible Framework to enable us to produce a checklist for Universities and Colleges to monitor performance against the targets in the Action Plan (see Appendix II).

Using the checklist at Appendix II colleges and universities can quickly assess whether they are on target to meet the standards set out in Action Plan.

### What is the EAUC Sustainable Procurement Project covering?

The EAUC welcomes the report from the Sustainable Procurement Task Force and is pleased that the focus of activity outlined in the programme mirrors closely current activity being undertaken by the EAUC / EAF programme.

By taking the advantage of the opportunities offered by being involved in the EAUC programme Level one is easily achievable within the timescale set out in the Action Plan.

To help partner institutions understand the relationship between the Action Plan and the EACU project we would suggest that institutions review progress against the flexible framework by answering the questions in Appendix II.

**Figure 1 – Level 1 Milestones and EAUC / EAF Activity**

	<b>National Action Plan - Level 1</b>	<b>EAUC Project</b>
<b>People</b>	<ul style="list-style-type: none"> <li>• Sustainable procurement champion identified.</li> <li>• Key procurement staff have received basic training in sustainable procurement principles.</li> <li>• Sustainable procurement is included as part of a key employee induction programme.</li> </ul>	We have identified lead staff in each institution and undertaken capacity building training for Procurement, finance and environmental staff. This training is being rolled out within institutions and through the LSC. A train the trainer approach is being taken on all the training being developed by the project.
<b>Policy, Strategy &amp; Communications</b>	<ul style="list-style-type: none"> <li>• Agree overarching sustainability objectives.</li> <li>• Simple sustainable procurement policy in place endorsed by CEO.</li> <li>• Communicate to staff and key suppliers.</li> </ul>	Training and guidance is supporting projects develop a sustainable procurement policy and strategy. Many of the institutions involved in the project now have a policy and strategy in place and all have senior management commitment and sign off.
<b>Procurement Process</b>	<ul style="list-style-type: none"> <li>• Expenditure analysis undertaken and key sustainability impacts identified.</li> <li>• Key contracts start to include general sustainability criteria.</li> <li>• Contracts awarded on the basis of value-for-money, not lowest price.</li> <li>• Procurers adopt Quick Wins.</li> </ul>	Using a risk based approach universities and colleges are in many cases undertaking this analysis. There are many examples of where sustainability criteria are included in contracts and this will increase as the project progresses.

<b>Engaging Suppliers</b>	<ul style="list-style-type: none"> <li>• Key supplier spend analysis undertaken and high sustainability impact suppliers identified.</li> <li>• Key suppliers targeted for engagement and views on procurement policy sought.</li> </ul>	The project is encouraging a risk based approach to deliver this. The analysis looks at spend and environmental impact to target key suppliers. Training is also delivered on supplier engagement processes and techniques.
<b>Measurements &amp; Results</b>	<ul style="list-style-type: none"> <li>• Key sustainability impacts of procurement activity have been identified.</li> </ul>	This is being supported by the use of a risk based approach to action and supplier engagement. The project held it's most recent partner meeting on Measurement and KPI's the work of the Task Force will be fed into this process.

**Figure 2 – Level 3 Milestones and EAUC / EAF Activity**

	<b>National Action Plan - Level 3</b>	<b>EAUC Project</b>
<b>People</b>	<ul style="list-style-type: none"> <li>• Targeted refresher training on latest sustainable procurement principles.</li> <li>• Performance objectives and appraisal include sustainable procurement factors.</li> <li>• Simple incentive programme in place.</li> </ul>	Further training will be delivered in Year 3 of the project 2007 / 2008.
<b>Policy, Strategy &amp; Communications</b>	<ul style="list-style-type: none"> <li>• Augment the sustainable procurement policy into a strategy covering risk, process integration, marketing, supplier engagement, measurement and a review process.</li> <li>• Strategy endorsed by CEO.</li> </ul>	The project covers developing a policy and strategy, risk based approach and integration, supplier engagement and measurement and monitoring as part of standard practice. This will be monitored as part of the project.
<b>Procurement Process</b>	<ul style="list-style-type: none"> <li>• All contracts are assessed for general sustainability risks and management actions identified.</li> <li>• Risks managed throughout all stages of the procurement process.</li> <li>• Targets to improve sustainability are agreed with key suppliers.</li> </ul>	All commodity groups are currently being analysed from a risk perspective (environmental and profile). With the risk identified solutions will be developed as part of the programme.
<b>Engaging Suppliers</b>	<ul style="list-style-type: none"> <li>• Targeted supplier engagement programme in place, promoting continual sustainability improvement.</li> <li>• Two way communications between procurer and supplier exists with</li> </ul>	This is linked to the risk approach and the supplier engagement training. This is being developed by partner institutions as part

	<p>incentives.</p> <ul style="list-style-type: none"> <li>Supply chains for key spend areas have been mapped</li> </ul>	of the project.
<b>Measurements &amp; Results</b>	<ul style="list-style-type: none"> <li>Sustainability measures refined from general departmental measures to include individual procurers and are linked to development objectives</li> </ul>	Ongoing

### Appendix I: The Flexible Framework

	<b>Foundation Level 1</b>	<b>Embed Level 2</b>	<b>Practice Level 3</b>	<b>Enhance Level 4</b>	<b>Lead Level 5</b>
<b>People</b>	Sustainable procurement champion identified. Key procurement staff have received basic training in sustainable procurement principles. Sustainable procurement is included as part of a key employee induction programme.	All procurement staff have received basic training in sustainable procurement principles. Key staff have received advanced training on sustainable procurement principles.	Targeted refresher training on latest sustainable procurement principles. Performance objectives and appraisal include sustainable procurement factors. Simple incentive programme in place.	Sustainable procurement included in competencies and selection criteria. Sustainable procurement is included as part of employee induction programme.	Achievements are publicised and used to attract procurement professionals. Internal and external awards are received for achievements. Focus is on benefits achieved. Good practice shared with other organisations.
<b>Policy, Strategy &amp; Communications</b>	Agree overarching sustainability objectives. Simple sustainable procurement policy in place endorsed by CEO. Communicate to staff and key suppliers.	Review and enhance sustainable procurement policy, in particular consider supplier engagement. Ensure it is part of a wider Sustainable Development strategy. Communicate to staff,	Augment the sustainable procurement policy into a strategy covering risk, process integration, marketing, supplier engagement, measurement and a review process. Strategy endorsed by CEO.	Review and enhance the sustainable procurement strategy, in particular recognising the potential of new technologies. Try to link strategy to EMS and include in overall corporate strategy.	Strategy is: reviewed regularly, externally scrutinised and directly linked to organisations' EMS. The Sustainable Procurement strategy recognised by political leaders, is communicated

		suppliers and key stakeholders.			widely. A detailed review is undertaken to determine future priorities and a new strategy is produced beyond this framework.
<b>Procurement Process</b>	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 Wins.	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.	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.	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.	Life-cycle analysis has been undertaken for key commodity areas. Sustainability Key Performance Indicators agreed with key suppliers. Progress is rewarded or penalised based on performance. Barriers to sustainable procurement have been removed. Best practice shared with other organisations.
<b>Engaging Suppliers</b>	Key supplier spend analysis undertaken and high sustainability impact suppliers identified.	Detailed supplier spend analysis undertaken. General programme of supplier engagement	Targeted supplier engagement programme in place, promoting continual sustainability improvement.	Key suppliers targeted for intensive development. Sustainability audits and supply chain improvement	Suppliers recognised as essential to delivery of organisations' sustainable procurement strategy. CEO engages

	Key suppliers targeted for engagement and views on procurement policy sought.	initiated, with senior manager involvement.	Two way communication between procurer and supplier exists with incentives. Supply chains for key spend areas have been mapped	programmes in place. Achievements are formally recorded. CEO involved in the supplier engagement programme.	with suppliers. Best practice shared with other/peer organisations. Suppliers recognise they must continually improve their sustainability profile to keep the clients business.
<b>Measurements &amp; Results</b>	Key sustainability impacts of procurement activity have been identified.	Detailed appraisal of the sustainability impacts of the procurement activity has been undertaken. Measures implemented to manage the identified high risk impact areas.	Sustainability measures refined from general departmental measures to include individual procurers and are linked to development objectives	Measures are integrated into a balanced score card approach reflecting both input and output. Comparison is made with peer organisations. Benefit statements have been produced.	Measures used to drive organisational sustainable development strategy direction. Progress formally benchmarked with peer organisations. Benefits from sustainable procurement are clearly evidenced. Independent audit reports available in the public domain.

## Appendix II: Action Plan checklist

### By April 2007 have you?

#### People

- Assessed your performance against the Flexible Framework?
- Identified a Sustainable procurement champion?
- Trained key procurement on sustainable procurement?
- Included sustainable procurement as part of a key employee induction programme?

#### Policy, Strategy and Communications

- Agreed overarching sustainability objectives?
- A sustainable procurement policy is in place endorsed by SMT / Principal?
- Communicated your intention and commitment to staff and key suppliers?

#### Procurement Process

- Undertaken an expenditure analysis and key sustainability impacts identified.
- Included general sustainability criteria in key contracts?
- Awarded contracts on the basis of value-for-money not lowest price?
- Taken the opportunity to adopt Quick Wins?

#### Engaging Suppliers

- Undertaken key suppliers spend analysis and identified high sustainability impact suppliers?
- Targeted key suppliers for engagement and sought views on procurement policy?

#### Measurement and Results

- Identified key sustainability impacts of procurement activity?

#### **By April 2009 have you:**

##### People

- Targeted refresher training on latest sustainable procurement principles?
- Include sustainable procurement factors in performance objectives and appraisal?
- Developed a simple incentive programme?

##### Policy, Strategy and Communications

- Augmented your sustainable procurement policy into a strategy covering risk, process integration, marketing, supplier engagement, measurement and a review process?
- Had your strategy endorsed by your SMY / Principal?

##### Procurement Process

- Assessed all contracts are for general sustainability risks and identified management actions?
- Looked to manage risks throughout all stages of the procurement process?
- Set and agreed targets with key suppliers to improve sustainability?

##### Engaging Suppliers

- A targeted supplier engagement programme in place, promoting continual sustainability improvement?
- Developed two-way communication between procurer and supplier exists with incentives?
- Analysed and mapped supply chains for key spend areas?

##### Measurement and Results

- Refined sustainability measures from general departmental measures to include individual procurers and are linked into development objectives