



# SPCE

The Sustainable Procurement Centre of Excellence

# Overview & Objectives



- 4 Year HEFCE Funded Project with additional funding from the DFCS, DEFRA and JISC
- Aims to make demonstrable changes to the way HEIs embed sustainable procurement into existing practices
- Assist in building capacity through training and guidance, and by developing procurement professionals through action learning in innovative procurement practices
- Help to develop measurement and monitoring tools for sustainable procurement and carbon emissions targets
- Work with procurement professionals' to develop their capability to influence supply chains
- Understand and help address process issues such as e-tendering in order to develop good practice
- Capture and report significant developments and share good practice throughout the sector

# Achievements & Developments



- Steering Committee set up and first meeting conducted
- Establishing links with potential partners – EAUC, AUPO, UUK SPG, CO2 Sense Yorkshire, etc
- Collaborating with Action Sustainability on a Sustainable Procurement Pilot Programme for 6 HEI's
- Two training courses on 'First Steps in Sustainable Procurement' to be delivered in April 2010
- Engaging with various organisations to develop a sub-project addressing carbon emissions across the sector in line with the Higher Education Carbon Reduction Strategy
- Initial website created – Phase 2 of the site due May 2010 in collaboration with Procureweb
- Collaboratively working with EAUC on the Poverty in Procurement campaign
- Guiding procurement professionals in setting sustainability criteria for large scale upcoming Tenders
- Attending several conferences throughout the year to promote the project and conduct sector consultation on sustainable procurement

## Overarching Benefits



The key benefit will be culture change within the HE sector, shifting away from traditional thinking and contributing towards the embedding of sustainable development within the procurement practice and broader operations of the sector

- Single point of contact for information regarding sustainable procurement and a source of advice and guidance
- SPCE will facilitate the development of procurement professionals, so that they are enabled to make a strategic contribution to their institutions
- SPCE will assist HEIs in meeting Sustainable Development (SD) objectives, including reduction of carbon emissions, by influencing the supply chain
- SPCE will demonstrate how by engaging with suppliers, HEIs can develop a commodity-based procurement strategy and contribute to institutional Corporate Social Responsibility

## Overarching Benefits cont.....



- All English purchasing consortia will have attained level 3 of the National Action Plan's Flexible Framework by December 2010 and at least 50 HEIs will have confirmed their attainment of this target
- The Efficiency Measurement Model will be developed to incorporate data on sustainable development i.e. Definitions on environmental efficiency savings
- SPCE will help the sector go beyond a definition of value for money as simply the lowest price option, but will promote the idea of a "just price" by promoting the WLC tool
- SPCE will support development of a sector baseline in accordance with the Higher Education Carbon Reduction Strategy enabling HEI's to develop a carbon reduction target

# The Sustainable Procurement Centre of Excellence



Embedding Sustainable Procurement Into Higher Education

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## Links

### Purchasing Consortia

NEUPC

NWUPC

LUPC

SUPC

APUC

HEPCW

### Higher Education Bodies

HEFCE

AUPO

**Welcome to the first phase website for the Sustainable Procurement Centre of Excellence for Higher Education, otherwise known as the SPCE.**

The project intends to make demonstrable changes to the way HEIs embed sustainable procurement into their standard procedures, practices and policies. It will augment government efficiency objectives, positively impacting on the Higher Education's circa 8 billion per annum expenditure. This Centre of Excellence in Sustainable Procurement has been established at the [NEUPC](#), one of the four consortia that make up the English National Purchasing Consortium ([ENPC](#)). The centre will build capacity in sustainable procurement, develop capability in influencing supply chains, address process issues; develop measurement and monitoring tools and communicate a full understanding of CO2 emissions,

## Headlines

SPCE Sustainable Procurement Policy Now Available To View [Here](#)

**The SPCE at 'Leading Transformational Change' Conference**

The SPCE will be exhibiting at Leading Transformational Change, a conference organised by the Leadership Foundation for Higher Education and HEFCE, on 27 January 2010. For more information please click

# Why undertake sustainable procurement now?



It is becoming both increasingly important and progressively easier to purchase sustainably for several reasons:

## **Increasing availability of labelled environmentally and socially sound products and services**

There is wide coverage of environmental and social product labels at national and international level (e.g. Nordic Swan, Blue Angel, EU Flower, FSC, FLO) which has made it easier to start sustainable procurement initiatives. Such labels help procurers to set environmental and social demands and verify that these standards are met.

## **Opportunities for collaboration**

HEI's have much to gain by sharing experiences and information through purchasing consortia e.g. Buying power and sharing good practice.

## **Increasing public awareness**

Pressure to implement sustainable procurement from the general public through NGOs and advocacy groups is growing as more information becomes available and awareness of environmental and social issues increases.

## **Preparing for future regulations**

As environmental regulations become increasingly strict, a proactive approach, keeping ahead of legislation, is likely to be more efficient than having to quickly respond once it is in place.



## Challenges and solutions

Although the benefits of sustainable procurement are clear and widely recognised, a number of specific technical challenges are prevalent:

### **Lack of clear definitions**

Many procurement professionals still struggle to define what an “environmentally and/or socially preferable” product or service is, and how to include demands in tendering.

**Solution:** There are numerous guidance documents which present simple criteria that can be used. Many HE procurers also use eco-labels, BS’s and ISO’s for definitions.

E.g. The criteria for green electricity cover a number of aspects:

There are definitions in directive 2001/77/EG10 as well as eco-labelling criteria, collected under an “umbrella”, the EUGENE Standard.

Briefly the definitions in the directive are:

"renewable energy sources" shall mean renewable non-fossil energy sources (wind, solar, geothermal, wave, tidal, hydropower, biomass, landfill gas, sewage treatment plant gas and biogases

"electricity produced from renewable energy sources" shall mean electricity produced by plants using only renewable energy sources, as well as the proportion of electricity

# Is sustainable procurement expensive?



The most common misconception about sustainable procurement is that the price of more sustainable products and services is too high and the benefits do not justify the time and effort it requires.

This is certainly not always the case, especially if all costs related to the product or service throughout its lifetime (purchase price, usage, maintenance and disposal costs) are considered, not just the purchase price  
– **Life-cycle costing**

A number of other approaches/strategies can be employed to achieve further savings:

**Minimising the need to purchase** – avoiding the need to purchase is the most effective way to cut procurement costs and achieve environmental savings

**Collaborative procurement** – Combining the procurement actions through a purchasing consortia can help to achieve significant savings through increasing your buying power, and at the same time is a useful way to introduce sustainable procurement into a cautious organisation

**Price ceilings** – If you are concerned about possible cost increases use environmental or social aspects as an award/evaluation criteria rather than a minimum standard. If weighted appropriately this will ensure that prices cannot rise significantly

## Integration into management systems



Decentralised organisations require effective management systems to ensure a consistent application of environmental and social initiatives.

***Solution:*** Integrating sustainable procurement activities within a quality or environmental management system can help ensure objectives, targets and measurement procedures are established throughout an organisation.

Simple, Quick Guide:

- **Select product/service groups**
- **Incorporating environment and social criteria in calls for tender**
- **Monitor and review progress**

More details available!

# University of Chester

Challenges in developing the Flexible Framework

# Challenges in developing the Flexible Framework

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graph TD; A[Challenges in developing the Flexible Framework] --> B[People]; A --> C[Policy Strategy & Communications]; A --> D[Engaging Suppliers]; A --> E[Measurement & Results]; A --> F[Procurement Process];
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## People

- Target key procurement staff
- Establish training programme

## Policy Strategy & Communications

### Draft Communication Plan

- What information is to be issued
- How will the information be provided
- Who will tell them
- When

## Procurement Process

- Identify key internal departments

## Engaging Suppliers

- Key suppliers identified

## Measurement & Results

- Establish methodology

# Sustainable Procurement Programme for the University of Chester



- What is sustainability – some definitions and information about the science and economics behind climate change, social issues etc.
- Sustainable development and sustainable procurement in the global, UK and national context.
- Sustainable Procurement Task Force – details of the recommendations and background to the issues including the Flexible Framework.
- The business case - why do it? – Introducing some key drivers for sustainability and the concept of stakeholders. The key message is that the definition of sustainability is different for each organisation, there is no “one size fits all” solution.
- Risk – the Supply Chain Headline exercise to encourage key people to think about risk.
- Engaging the supply chain – Introducing the concept of reputation risk, how to prioritise actions based on risk and stakeholder drivers.
- Identify current gaps and opportunities in the existing procurement procedure and provide practical recommendations going forward.