IMPERIAL

Sustainable Imperial

Sustainable procurement guidance pack and checklist

Contents

Specific guidance for staff involved in the procurement process

Pre-procurement

To be effective, it is essential that consideration of sustainable procurement commitments starts at the pre-procurement stage and is carried through all stages of the procurement lifecycle. Staff involved in the procurement process should also refer to the Guided Buying pages on our website.

At the planning stage prior to a procurement, it is advisable to consider the following options to ensure procurement is first necessary, and second, to give sustainability due consideration:

- Is the purchase necessary or avoidable (to reduce consumption and carbon footprint)?
- Could I repair or refurbish the old item instead of purchasing a new one?
- Can I loan, lease, or buy it from someone or another department?
- Does the product minimise the use of natural resources and use more renewable resources?
- What waste is generated from this product in its lifecycle (packaging, bespoke items, overordering, redundant stock, obsolescence)? Can the product be recycled at the end of its useful life? Through what supplier/service?
- Is there an opportunity for reverse procurement or using the reverse supply chain in the service, materials, products being supplied?
- Is the product made from recycled materials or recycled blend? Is the product packed with recyclable material or in reusable containers? Are there any recycling standards associated to provide assurance on claims?
- Is the product purchased from a local supplier, to minimise the ecological footprint of transportation and also support the local economy?
- Are there new products in the market that will help accelerate the demand for lower carbon materials?
- Can transport and logistics be rationalised to reduce road vehicle trips for delivery?
- Will the service/works package have a negative impact on biodiversity? Do we need a biodiversity mitigation plan in place? Could it have a positive impact through, for example, less mowing of grass or more green infrastructure?
- Are there low-skilled workers as part of the scope of services being carried out? Do we have the Modern Slavery policies and due diligence procedures from the supply chain?
- Is this a long-term, high-value services or works contract that affects the local community around us? How will it enable us to engage with and invest in the local community?
- Am I using Preferred Suppliers to purchase products? These suppliers have already been assessed for their sustainability policies.
- If the unit of purchase is higher than I need, can I share this purchase with another department to avoid duplication of waste and storage?

At this stage, these questions can be used as a form of early market engagement. These 'feeler' questions cover our core themes (carbon reduction, waste management, biodiversity, community engagement and modern slavery). They help gauge a supplier's capability and ambition to invest in sustainability projects. It will also test how well suppliers can support the university with net zero targets for carbon, along with other sustainability-related ambitions.

Key takeaways:

- Considering sustainability requirements early in the project approach, design and procurement will ensure it is embedded into the tender process.
- If early supply chain engagement is required to understand what the market has to offer, it should be done at this pre-procurement stage.
- Please note at this stage, procurement officers (if they are not fund grant holders or end-users) should have visibility of the sustainability criteria for this project based on the project funding/grant application pipeline process.

Procurement calls to action:

- Have I considered sustainability risks and opportunities as part of the scope of what I am procuring? Have I considered sustainability in the supply chain?

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Supplier evaluation and selection

The two main supplier evaluation and selection stages and selection are the Pre-Qualification Questionnaire (PQQ) or Due Diligence Questionnaire within the Invitation to Tender (ITT) stages. Sustainability questions in these two stages will be based on the Heat Map process of risk and opportunity analysis.

In a PQQ, it is essential that suppliers can demonstrate that they possess or have access to and apply the principles of good governance. This includes a capacity and capability check on sustainability requirements and needs to be relevant and proportional to the goods, works or service being delivered for the university.

A PQQ question should include two elements:

1. The relevant policy from the supplier organisation (carbon management, modern slavery, waste, community and biodiversity)
2. A short case study demonstrating how they have delivered on a sustainability requirement for a previous client/project. This will help the procurement department to gauge the capability and appetite of the supplier/subcontractor to contribute to the College's sustainability requirements within the tender stage and post contract/order award.

There are further sustainability criteria that can be investigated for a supplier's sustainability capability upfront. The different things to look for are discussed below.

Eco-labels for products

Eco-labels demonstrate that a supplier has aligned to a particular standard for a product. Unlike more generic and unregulated terms, such as 'natural' or 'green'; an eco-label assures that claims made are supported. In achieving an eco-label, the product goes through a level of testing to prove the relevant claims. A good example is wood/paper-based products, where a Forest Stewardship Council (FSC) or Programme for the Endorsement of Forest Certification (PEFC) logo demonstrates that they were responsibly sourced.

Obtaining these labels can be expensive and time-consuming for the supply chain, so you are not advised to make this a mandatory requirement. Instead, you should pull out key themes or suggest bidders highlight any eco-labels they have achieved, where applicable.

Construction and estates sustainability standards and certifications

The BES6001 certification is a sourcing standard predominantly for the construction and estates sector. Products being certified to BES6001 standard is another way for procurement teams to have confidence the goods procured are ethically and sustainably sourced.

The key objectives of the BES6001 standard are:

- To promote responsible sourcing of products
- To give clear guidance on the sustainability aspects that should be addressed
- To provide confidence that materials and products are being responsibly sourced
- To provide a route to obtaining credits within the Materials sections of the Home Quality Mark and the BREEAM family of certification schemes (and the Code for Sustainable Homes where relevant)

In addition to the demand for credible evidence of ethical sourcing behaviour by companies and their suppliers, the importance of transparency within a supply chain is growing. The Eco-Reinforcement standard provides a means for construction clients, specifiers, and contractors to purchase reinforcing steel from a supply chain which proactively addresses sustainability issues.

Other environmental certifications

In the supplier evaluation and selection stage, it is important to consider if the supplier possesses any of the below certifications. This will indicate the supplier's sustainability ambitions for their supply-chain. In order of what is most offered or held by the supply chain for certifications:

- ISO 14001 (Environmental Management System)
- EcoVadis (Increasingly used to demonstrate an ESG scoring)
- Environmental Product Declarations (EPDs)
- Cradle-to-cradle certification
- My Green Lab (specific to laboratories)
- Laboratory Efficiency Assessment Framework (LEAF)
- Food supply-chain certifications such as Marine Stewardship Council, Red Tractor, LEAF-Marque, Stewardship scheme – see our Sustainable Food and Drink Policy on our website.

Environmental certifications help to compare organisations and provide a framework to discuss opportunities to improve. It should be noted that each certification has a different set of criteria and varying levels of awareness within an industry, for example most organisations will have completed ISO 14001, environmental management, which has a strong link to waste management. An increasing number of organisations (particularly those with global coverage of complex supply chains) are obtaining an EcoVadis score.

Invitation to tender

At the Invitation to Tender (ITT) stage, include questions that are forward-looking, commitment-type questions that elicit supply chain responses that can be written into the contract as Key Performance Indicators (KPIs) and/or Service Level Agreements (SLAs) for the sustainability requirements. A list of such questions can be found here. These are to be used in accordance with the heat map exercise and applying relevance and proportionality:

- Value and duration of contract
- Nature of procurement (goods, works, services, plant, materials)
- Size of supply chain organisation (large, SME, micro enterprise, diverse organization).

The Procurement Team liaise with National Consortia and review the consortia frameworks for value for money as well as any sustainable procurement efficiencies to be gained. We will build on the sustainability criteria within the frameworks for procurement to set targets aligning with Imperial's sustainability expectations from the supply chain and engage with consortia category managers to secure a detailed breakdown on the sustainability gains that can be achieved by using these frameworks (this information is available).

Key takeaways:

- Eco-labels, certifications and buying standards are a starting point to recognise the supplier's ambitions, capacity, and capability to provide goods, works and services with environmental considerations.
- The Heat Map exercise, which is a risk and opportunity analysis for spend categories and suppliers, will help inform the procurement team on focussing their efforts towards those categories and suppliers which pose a higher risk and need engaging and managing for sustainability requirements.

Procurement calls to action:

- Have I prioritised my spend categories and suppliers based on sustainability risks and opportunities?
- Have I integrated questions in the PQQ and ITT stages around sustainability?
- In doing so, have I utilised the applicable eco-labels, industry-wide standards and certifications, security compliance capabilities, where relevant and feasible?
- Have I explored existing consortia frameworks and the captured sustainability requirements for the supply chain for my scope of works?

Award, mobilisation and contract management

Suppliers' sustainability performance should be measured and monitored at regular intervals. These monitoring activities should be organised around performance metrics appropriate to the nature of the contract and KPIs set within the contract:

- It should be frequent enough to allow for performance data to be used in managing the contract's delivery.
- For contracts previously awarded with little or no sustainability considerations, using the performance management stage to understand suppliers' sustainability activities is important. These can include but are not limited to:
  - Engage the supply chain and supply chain tiers.
  - Gauge any supplier sustainability ambitions or results.
  - Greenhouse gas emission monitoring activities and reductions.
  - Waste management and landfill diversion activities (reuse, recycle and incineration).
  - Modern slavery and social engagement.
  - Accounting for biodiversity and the natural world.
- Data and information from performance reviews should be captured in an appropriate document, database, or tool. The collected information should be baselined and reported periodically to monitor and celebrate improvements.
- The monitoring data can be used to engage further with your suppliers, celebrating improved performance while putting in place a supplier improvement plans for those failing to improve practices.
- Annual contract reviews should be used to review performance and sustainability contractual commitments. It is also a great time to review wider market development and opportunities.

Key takeaways:

- The targets, KPIs around sustainability that were asked of the supply chain, and the commitments made in the tender responses must be written into the contract.
- Managing the supply chain performance against commitments is important. Contract management should allow for and capture supply chain performance, data, progress towards sustainability in the goods, services, works being carried out.

Procurement calls to action:

- Have I developed and added in contract KPIs for the sustainability considerations?
- Have the sustainability commitments for the awarded supplier or service provider been communicated to the contract and asset managers for them to follow up on?

Value for money vs traditional costing purchasing: sustainability doesn't always cost more

This section seeks to provide information around the different methods of procuring items to help encourage sustainability considerations in the procurement process. The aim is to provide the best value for money both today and in the future. It should be noted that there isn't a right or wrong in each case, but in putting together a case to procure, consideration should be given to each option to decide which is the best fit.

Lifetime vs upfront costs

Lifetime costs refers to the costs associated with the initial purchase, its use and how it is disposed at end of life.

Upfront costs refers only to the initial purchase price and does not consider how the item will be used or disposed of.

Preventative vs reactive maintenance

Preventative maintenance refers to annual services and regular checks to ensure that the equipment is in good working order, it is looking at service requirements to ensure the equipment is running at its most efficient.

Reactive maintenance responds to call outs once a breakdown or incident has occurred, and the equipment is likely no longer safe or effective to use. Cost is then associated to the equipment's downtime as well as the cost to fix the issue.

Standard items vs bespoke items

Standard items are those which the supplier already has in stock and can be used in multiple settings on multiple occasions allowing it to be reused and limiting the number of new resources required.

Bespoke items are those made for a specific purpose and cannot be reused, this could be because they note a date/event/place, have non-standard dimensions, or are built for a fixed position.

Reusable vs disposable

Reusable items are those that can be reused again and again for example crockery, some furniture, and certain types of packaging. The more an item can be reused the greater the depreciation in cost and embodied carbon.

Disposable items are often chosen for convenience and result in being single-use items and consequently have a high embodied carbon value.

Modular vs fixed items

Modular items allow flexibility in their use in terms of location and activity. Items that break down into smaller parts are easier and cheaper to store and transport as well as providing a greater variation of design layouts to adjust to better adapt to changing business needs.

Fixed items cannot be altered which can make them harder to repurpose in a new layout or environment, this can lead to the need to dispose of the item and replace it, increasing cost and demand on resources.

Waste (take back schemes)

Reducing the amount of waste saves cost as it doesn't have to be disposed of. Disposing of recyclable waste is cheaper than non-recyclable waste as it has a higher value in the market.

A take back scheme is better than on-site recycling because it looks to reintroduce them to the original processing and manufacturing cycle, keeping the material as high up the waste hierarchy for as long as possible.

Time (reuse and storage vs skips)

Storing items for reuse can save on disposal and purchase costs, however, it can take time to organise, especially the first time. Transport costs might also need to be factored in depending on where the items are stored as well as any costs to store the items.

Disposing of material via a skip is efficient and saves space on site, however, it results in a lower recycling rate as it increases the chance of contamination and relies on the material being sorted off-site.

Circular economy vs linear economy

A circular economy is a systemic approach to economic development designed to benefit businesses, society, and the environment. In contrast to the 'take-make-waste' linear model, a circular economy is regenerative by design and aims to gradually decouple growth from the consumption of finite resources.

In the linear economy, raw natural resources are taken, transformed into products and are then disposed of.

Transport (distance, minimum orders)

Greater and more frequent transportation distance will result in increased carbon emissions. Vehicle capacity that is not fully utilised increases the amount of carbon associated with the product on that delivery.

To reduce carbon emissions from transport, consider the following:

- Using local suppliers to reduce the overall travel distance.
- Use consolidation centres or last mile logistics to reduce traffic and increase the chances of this journey being in a zero-emissions vehicle.
- Increase the minimum order threshold, so that deliveries are optimised.
- Consolidate delivery days to maximise delivery space and minimise journeys in the area.
- For frequent purchases, consolidate orders into bulk purchases wherever possible – including by combining with other purchasers wherever you can.

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Appendix 1

Definitions

Acronym	Definition	Further information
Waste hierarchy	Ranks disposal methods based on least to most harmful to the planet: Reduce > Reuse > Recycle > Energy Recovery > Landfill	https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/69403/pb13530-waste-hierarchy-guidance.pdf
Circular Economy (CE)	An alternative to the linear economy of take-make-dispose, CE looks to minimise waste and pollution by extending the useful life of products and materials. Once at the end of life, the product is used as raw material to make a new item, reducing the need for new materials.	https://wrap.org.uk/taking-action/climate-change/circular-economy
Open loop recycling	Converting waste into a new material to reduce the need for virgin material. Some materials are easier to recycle than others.	https://bettermeetsreality.com/closed-loop-vs-open-loop-recycling-definitions-differences-examples-more/
Closed loop recycling	A product or material can be turned into something new without degrading. This is better than open loop recycling as materials remain at a higher quality for longer.	https://bettermeetsreality.com/closed-loop-vs-open-loop-recycling-definitions-differences-examples-more/
Climate change	The long-term alteration of temperature and weather patterns on earth.	https://www.un.org/en/climatechange/what-is-climate-change
Embodied carbon	Embodied carbon is the carbon dioxide (CO_2) emissions associated with materials and construction processes throughout the whole lifecycle of a building or infrastructure. It includes any CO_2 created during the manufacturing of building materials (material extraction, transport to manufacturer, manufacturing), the transport of those materials to the job site, and the construction practices used.	https://carbonleadershipforum.org/embodied-carbon-101/
Life Cycle Assessment (LCA)	A method which assesses the environmental impact of each stage of a product's life cycle, for example, creation, use and disposal.	https://ecochain.com/knowledge/life-cycle-assessment-lca-guide/
Whole Life Carbon (WLC)	This looks at the carbon emissions that arise from the construction and use of a building over its entire life. It can be used to show alternative methods of building or building use to improve the sustainability of a building or project.	https://www.london.gov.uk/programmes-strategies/planning/implementing-london-plan/london-plan-guidance/whole-life-cycle-carbon-assessments-guidance
GHG	Greenhouse gases	

Acronym	Definition	Further information
EMAS	Eco-Management and Audit Scheme	https://green-business.ec.europa.eu/eco-management-and-audit-scheme-emas_en
ISO 14001	ISO 14001 is the internationally recognized standard for environmental management systems (EMS). It provides a framework for organizations to design, implement, and continually improve their environmental performance	
PQQ	Pre-Qualification Questionnaire	
ITT	Invitation to Tender	
FSC	Forest Stewardship Council	https://fsc.org/en
PEFC	Programme for the Endorsement of Forest Certification	https://www.pefc.org/
BREEAM	BREEAM's third-party certified standards have helped improve asset performance at every stage, from design through construction, to use and refurbishment	https://bregroup.com/products/breeam/
EcoVadis	EcoVadis helps you manage ESG risk and compliance, meet corporate sustainability goals	https://ecovadis.com/
ESG	Environmental, social, and corporate governance	
EPD	Environmental Product Declaration	
KPI	Key performance indicators	
SLA	Service level agreement	

Appendix 2

Procurement checklist – a procurement action plan

Pre-procurement

When undertaking your next procurement activity, what actions do you need to take to help deliver a sustainable outcome? Consider:

Actions		Stakeholder to be engaged	Completed
1	Sustainability criteria and requirements considered early on		
2	Market analysis and evaluation – engage the supply chain		
3	Analysing risks and opportunities for sustainability		
4	Engagement with internal and/or external stakeholders for buy-in		

Supplier evaluation and selection

What sustainability actions might you think about when undertaking the sourcing process? Consider::

Actions		Stakeholder to be engaged	Completed
1	Include quantifiable questions relating to sustainable solutions in the PQQ and ITT		
2	Ensure the specification includes reference to sustainability e.g. eco-labels, standards, outcome specifications		
3	Ensure there is a balanced score card weighting for sustainability in the tender process		

Mobilisation and contract management

What steps can you take to embed sustainability criteria performance within your contract management process? Consider:

Actions		Stakeholder to be engaged	Completed
1	Contract KPIs and clauses for sustainability		
2	Communicate key sustainability supplier commitments to contract and sustainability teams and key stakeholders		
3	Regular check-ins of performance measurement of suppliers which is shared with wider team		
4	Continuous improvement on sustainable deliveries (the new baseline for any subsequent contracts)		