



How Loughborough University has used BS 8903 to progress and improve its sustainable procurement activity

“Procurement has been one of the most challenging areas of Loughborough University’s sustainability change project. BS 8903 provided a structured framework for discussion, gaining buy-in and implementing a vision, policies and procedures for sustainable procurement.”

Dr Anne Mumford, Director of Change Projects, Loughborough University

At a glance

- Loughborough, with 18,500 students, is one of the UK’s leading universities. It has an international reputation for research, and was named the Sunday Times University of the Year in 2008-9. Loughborough is also the UK’s premier university for sports.
- Operating in a newly-more-competitive sector, Loughborough has long-recognized the need to procure sustainably as part of its wider sustainability remit.
- With the publication of BS 8903, the University has used guidance in the standard to help develop its sustainable procurement strategy and policy.
- The standard has also informed and inspired Loughborough to make progress in several important areas of sustainable procurement including the tendering process and risk management.

About BS 8903

BS 8903 provides expert guidance as to how sustainable procurement can be done in practice. Individuals and organizations of all sizes can use the standard to understand better what sustainable procurement means, and the business case for adopting it. They can also use the standard to embed best-practice approaches to sustainable procurement into their supply chains.

What is sustainable procurement?

BS 8903 defines sustainable procurement as “only purchasing goods that are really needed, and buying items or services whose production, use and disposal both minimize negative impacts and encourage positive outcomes for the environment, economy and society.” The standard adds that “Sustainable procurement is good procurement and should not be viewed as an abstract, idealistic goal, but as a practical and achievable objective for all organizations, large and small.”

What are the benefits of sustainable procurement?

Sustainable procurement brings three types of benefits. It can achieve a positive change or impact in a specific area. For example, it can reduce carbon emissions, or reduce end-of-life disposal costs, or improve social diversity in the supply chain. Procuring sustainably can also mitigate risks for an organization. So it can prevent or uncover things a supplier might do that could damage an organization's reputation or lead to loss of revenue, cost, litigation or loss of shareholder confidence. Finally, sustainable procurement can support competitive differentiation and advantage. So an organization might create new green or ethical products or gain entry into previously unavailable markets as a result of sustainable procurement.



Using BS 8903 at Loughborough University

Formulating strategy and policy

The standard was used first of all as a template from which to develop the University's own sustainable procurement strategy and policy. The standard considers these documents to be the 'fundamentals' that underpin any good sustainable procurement effort.

Drawing on the guidance in the standard, Loughborough's Sustainable Procurement Strategy identifies the risks and opportunities the University faces with regard to sustainable procurement. These include the risk that the University's supply chain carbon emissions might rise; and the risks of reputational damage to the University of being identified as using irresponsible suppliers. Conversely, proactively managed sustainable procurement will mitigate reputational risks and also give the University an opportunity to market additional sustainability credentials.

Loughborough's Sustainable Procurement Policy, meanwhile, draws on BS 8903's definition of sustainable procurement, and was developed in alignment with the key objectives in BS 8903. The Policy includes commitments to:

- reduce the demand for resources;
- minimize any negative impacts of goods, works or services across their life-cycle;
- ensure that minimum ethical, equality, human rights and employment standards are met by suppliers;
- ensure that fair contract prices and terms are applied and respected; and
- provide opportunities and encouragement for small and medium sized businesses to tender.

To move towards achieving the objectives, the Policy also includes 11 targets, with deadlines, and a monitoring and review process. The targets, among others, include work on tenders (see below); on addressing whole-life costing; on training key procurement staff; and on reviewing the University's fleet management approach.



BS 8903 in the tender process

BS 8903 recognizes that the stage of identifying potential suppliers and inviting them to tender is a very significant one within the sustainable procurement process. The standard gives guidance on pre-qualification, how to issue a tender, how to evaluate responses and how to award contracts. In turn, Loughborough identified tendering as a key area in its sustainable procurement activities, and consequently four of its 11 targets relate to the tender process.

As a result, all the University's tender documents now refer and link to the Sustainable Procurement Policy. Also sustainability criteria are now included at the pre-qualification and main tender stages, and potential suppliers are told that responses are evaluated against four criteria: price, ability to supply, added value and sustainability. Sustainability is given a 10 per cent weighting and is assessed through the policies that the supplier has in place. The University also holds quarterly meetings with contract suppliers to discuss issues such as supplier appraisals, re-tendering and any ideas they have to encourage more sustainable supply.

'Mapping' risk management using BS 8903

BS 8903 asks organizations to put in place processes and controls that will identify and manage procurement risks. The standard also suggests 12 key supply chain sustainability impacts that organizations should be aware of.

For its part, Loughborough had already done some risk and spend analysis, but the University still wanted to know the high risk areas that would require the most monitoring and measurement, and the areas it should prioritize.

To find out, a 'heat map' technique was used: meaning a colour-coded 'heat map' was produced by grading the University's top 40 spend categories against the 12 key supply chain impacts from the standard. High risk was 'mapped' as red, medium as yellow, and low risk as green.

The resulting 'map' showed Loughborough that its main risks were in the new build and building refurbishment categories that have a significant effect on waste to landfill, energy, CO₂, materials, water use and air emissions. Air travel was also highlighted as a spend area with significant risks, especially with regard to energy, CO₂ and air emissions. The heat map exercise means that the University can begin to set targets to reduce the larger risks first. For example, targets can be set on reuse of materials to reduce construction impacts.

The role of Life Cycle Assessment

The Higher Education Funding Council for England (HEFCE) now requires that higher education institutions monitor and measure their Scope 3 emissions. These are emissions that organizations produce through their activities, but that are coming from sources not owned or controlled by the organization, including things like business travel, commuting, and supply chain emissions. In due course HEFCE will set targets to reduce these emissions.

The relevance to BS 8903 is that the standard includes guidance on Life Cycle Assessment (LCA) as a tool within sustainable procurement. This is because LCA – broadly the assessment of the environmental impacts of a product or service from 'cradle to grave' – is central to understanding emissions in the supply chain. For Loughborough, LCA, as well as Whole Life Cost analysis – also included in BS 8903 – is likely to be an important tool to get to grips with going forward. Not only will it help Loughborough with the HEFCE measurements, but use of LCA in the procurement process will help the University progress to Level 4 in the Government's Flexible Framework – a maturity matrix set up by DEFRA's Sustainable Procurement Task Force in 2006.

In conclusion

What has resulted from using BS 8903?

Overall, Loughborough University believes it has made good use of the BS 8903 standard. It played an important role in setting out strategy and policy and progress has clearly been made across the board as sustainability has become a key theme in all aspects of procurement.

Loughborough's tenders now assess suppliers with sustainability as a key consideration. The heat map exercise enabled the potential risks of a number of key sustainability indicators to be seen and this can be used in the setting of targets. Furthermore, development of life cycle measurements, initially with regard to fulfilling Scope 3 emissions requirements from HEFCE, will enable easier monitoring and measuring of specific targets. Reducing such embodied impacts will enable the procurement process to become ever more sustainable.



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