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Incorporating SRS into procurement – overview

Description of the paper

This paper provides a brief introduction to work being done at the University of Edinburgh to incorporate social responsibility and sustainability (SRS) considerations into procurement processes, as part of the University's commitment to making a significant, sustainable and socially responsible contribution to Scotland, the UK and the world, promoting health, economic growth and cultural wellbeing.¹ This paper acts as an introduction to a suite of briefing papers that outline SRS issues related to particular commodity areas.

How procurement works and our duty to incorporate SRS

Public procurement is the purchase of goods, services and works by public bodies, a category which includes UK higher education institutions. In Scotland, the Scottish Government sets public procurement rules consistent with European Union and World Trade Organization standards. These standards are meant to promote competition, transparency and efficient use of public money, to increase trade across national borders, and, increasingly, allow for the promotion of sustainable outcomes. Public spending accounts for a large percentage of global economic activity; when making purchases, public bodies have much more to consider than simply buying the right thing at the best price, and thus they need to approach procurement strategically.

The Scottish government places special emphasis on sustainable public procurement, and in 2016 introduced additional rules for public bodies in this area, including the Sustainable Procurement Duty. With this duty, public bodies must demonstrate that they have considered sustainability in all purchases of £50,000 and above for goods and services, and £2,000,000 and above for works. Organisations can fulfil this duty by showing that they have considered whether their purchase can improve at least one of the following: the economic, social or environmental well-being of the organisation's surrounding area, the inclusion of small and medium enterprises (organisations with 250 employees or fewer), supported businesses (enterprises whose main aim is the inclusion of disadvantaged or disabled persons) or third sector organisations, and the promotion of innovation.

For the University of Edinburgh, implementation of this duty means the analysis of sustainability "risks" and "opportunities" across all areas of over £200,000,000 annual non-pay spend, a diverse array of different goods, works and services. This analysis includes consideration of each procurement's "life cycle", for example: the environmental impact of the production of an item, the energy cost in maintaining it, or the impact of disposal, or the labour conditions or training of those providing/producing a service or product. Organisations must also consider how a procurement could improve outcomes in their local area, including

¹ University of Edinburgh Strategic Plan 2012-2016

how it could mitigate economic inequality. Where risks and opportunities are identified, they should be prioritised in order of importance and, where relevant and proportional, procurement rules related to sustainability, for instance the ability to request labels, such as a fair trade certification or equivalent, can be used to promote better outcomes.

What are we already doing

The University of Edinburgh has an extensive track record of embedding sustainability into procurement. Starting in 2009, the University developed an action plan for sustainable procurement and has subsequently successfully initiated efforts including the consideration of procurement risks across spend areas relating to the environment, social issues, equality and health and safety, assisting small businesses that supply the University to access and use procurement systems, developing sustainable procurement awareness training, and developing tools to assess supplier carbon footprint, in addition to multiple initiatives to incorporate fair trade practices.

The University of Edinburgh was one of the leading organisations in implementing the United Nations' Marrakech tool for prioritising sustainability procurement risks and opportunities, a comprehensive tool for embedding sustainable procurement consideration across all of the University's spend areas. The Marrakech process forms the basis for the current updated Scottish sustainable procurement tool, the Sustainable Procurement Prioritisation Tool (SPPT).

The University of Edinburgh Procurement office continues to work closely with stakeholders across the University, including the SRS Department, students, and academic staff, as well as with third sector organisations and other public bodies, to implement and improve sustainable procurement.

The Sustainable Procurement Prioritisation Tool (SPPT)

The SPPT is provided by the Scottish Government for use by procuring organisations in the Scottish public sector. It is available here:

<http://www.gov.scot/Topics/Government/Procurement/policy/corporateresponsibility/Sustainability/ScottishProcess/SustainableProcurementTools>

In 2016, the SRS Department and Procurement team have begun working together to assess categories that have been prioritised due to high spend and high risk levels: information and communication technology (ICT), labs, estates, food and catering and travel. For each category, leads from Procurement and SRS complete the scoring of risks and scope to do more in the tool, and a workshop is held with key stakeholders, to gain their input into the assessment process as well as to raise awareness of the range of SRS issues that need to be thought about when buying goods and services.

Briefing papers have been produced for the categories assessed, which provide further detail on SRS risks and opportunities throughout the lifecycle, and identify further actions the University can take.