



**DE MONTFORT
UNIVERSITY
LEICESTER**

Sustainable Procurement Strategy

2022 - 2027

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VISION

***‘ To challenge our supply chains
and not accept the expected;
to deliver a more sustainable
future for all ’***

SUSTAINABLE DEVELOPMENT GOALS



SUSTAINABLE

Sustainability is not a tick box, sustainability should be a deeply engrained part of all the decisions that DMU make, especially around procurement. This strategy aims to make that a reality.

DMU spends in excess of **£60 million every year** with our suppliers. If we choose to not procure the goods, services and works we require sustainably, we are not acting responsibly. On a daily basis we make decisions that affect our organisation, students, staff and the public. Simply put, **sustainability is not an option, but a must.**

The development of this strategy is led by central procurement, however it is one which needs to be championed by all procurers across the university, if we are to succeed in achieving our vision. This strategy and measuring success against it will be reported to DMU **University Leadership Board annually**, from September 2022.

The strategy itself has been endorsed by, and has a defined sustainable procurement champion in Simon Oldroyd, our **Pro Vice-Chancellor (Sustainability)**. The sustainability champion role will be key to promoting this strategy to senior stakeholders.

This strategy is closely linked to the **United Nations Sustainable Development Goals (SDGs)**, which remain a key focus in DMU's Strategic Aims, which this strategy helps further support. Each of the priorities seen on forthcoming pages are all clearly linked to applicable SDGs, to show the key areas this strategy aims to target. This strategy will also link to the Association of University Directors of Estates (AUDE) **Sustainability Leadership Scorecard (SLS)** as a means to benchmark progress and overall improvements made in DMU's approach to sustainable procurement.

This strategy aims to provide procurers at DMU with the skills & understanding required to successfully challenge our suppliers; embedding sustainable excellence within our supply chain.

As a University we can't expect to educate our students to become sustainable leaders of the future, if we are not acting as the sustainable leaders of today.

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PRIORITIES

The following pages will focus on priorities that will support delivery of the vision set out in the strategy. Each priority has been linked to applicable SDGs, these can be seen at the bottom of each page for that priority.

DMU has defined 7 priorities, these are:

- 1 Service Continuity**
- 2 Collaboration**
- 3 Environment**
- 4 Ethical**
- 5 SME**
- 6 Society**
- 7 Value for Money**

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SERVICE CONTINUITY

DMU Suppliers support and help us deliver a huge range of business-critical goods, works and services. It is therefore important that procurers consider the service criticality of contracts, to take appropriate action to reduce the risks for DMU in business-critical contracts.

This will help support DMU to:

- 1 React to unforeseen supply chain issues**
- 2 Have established contingency plans in place**
- 3 Reduce potential economic and reputational risks of contract failure**

DMU commit to:

- Define business critical contracts (above £250k), with an identified senior responsible officer who will consider continuity of that contract and establishment of internal / external contingency plans where appropriate, with support from central procurement.
- Ensure sustainability issues are considered as part of the procurement process during the specification and/or evaluation stage.
- Provide financial checks to all managers on any contract to help support review of financial standing before contract award and during the life of a contract.
- Category Managers to support Contract Managers in understanding key sustainability considerations in managing a contract and support on contract review meetings for high risk contracts.
- Contract management guidance and accompanying templates will be established and maintained to help Contract Managers with clear guidance on how to best manage contracts, including focus on sustainability metrics.

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COLLABORATION

Collaboration in procurement means considering how we can work with other procurers to increase our buying power; create process efficiencies, encourage low carbon activities across supply chains, & develop supportive relationships with our peers & suppliers. We encourage procurers to look at ways to collaborate with both internal and external colleagues / organisations / consortia on a sector, local, regional & national basis.

This will help support DMU to:

- 1 **Create process efficiencies and cost savings via collaboration**
- 2 **Establishes local, regional & national peer groups for support and innovation**
- 3 **Greater levels of input & challenge to help define innovative specifications**
- 4 **Exploiting added value opportunities across our partner base**

DMU commit to:

- Use consortia frameworks where possible to minimise duplication of effort, provide quicker routes to market and access lucrative pricing and preferred contractual terms.
- Using collaboration and partnership working to encourage the development of a low carbon supply chain and to support local communities in providing low carbon products and services.
- Establish central contracts via the central procurement team for known requirements that exist across multiple faculty / directorates to consolidate DMU buying power.
- Actively share procurement pipeline activity with local and regional public / private sector organisations to share and collaborate on contracts where possible.
- Measure and aim to increase our overall % of collaborative spend each year as measured in our annual sector based PVS (procurement value survey) submission.
- Work with consortia, partners and suppliers to reduce the climate impact of procurement activity across the higher education sector.

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ENVIRONMENT

The University has signed up to the Leicester City Wide Climate Emergency Charter and is working to reduce carbon emissions across all its activities including procurement.

It is critical that all procurers consider the environment when procuring goods, services and works on behalf of the university. All procurers must look to reduce the use of natural resources; minimise the embodied carbon of specified goods / works / services (such as less frequent deliveries / on site meetings, recyclable packaging / products & energy efficient products); & look to innovative solutions and technology which support alternative ways of delivery (such as holding e-meetings to reduce travel impact / new types of building materials).

Procurers should actively look to, and challenge key suppliers, to help define alternative & innovative ways to procure that meet our needs, whilst minimising DMU's environmental and carbon footprint.

This will help support DMU to:

- 1 Challenge procurers to think responsibly about what they really need to deliver outcomes
- 2 Limit the use of global resources, unless absolutely necessary
- 3 Encourage and support innovation, by working closely with our suppliers
- 4 To reduce supply chain related carbon emissions

DMU commit to:

- Develop and adopt specifications that minimise waste in our supply chain, such as less deliveries, more recyclable products or products that are more energy efficient.
- Actively work with suppliers and allow for innovation within contracts to help drive alternative delivery methods & reduce use of unsustainable materials.
- Support the use of standards to help implement best supply chain practice, such as BS / ISO environmental management systems or equivalent.
- Work with our stakeholders to agree carbon reduction targets for our supply chain activities and report progress towards this target on an annual basis.

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ETHICAL

Procurers at DMU are expected to always act ethically when buying goods / services / works. Procurement will consider both direct & indirect ethical consequences of DMU procurement activity and decisions.

It is important for procurers to be educated to understand the potential risks that exist, and ways they can help reduce DMU being a participant in unethical activity, especially as DMU has a global supply chain.

Procurers must always consider ethics, this will help support DMU to:

- 1 **Ensure staff understand relevant risks including bribery, corruption & fraud**
- 2 **Comply with the modern slavery act and aim to eliminate the risk of modern slavery occurring in DMU supply chains**
- 3 **Ensure fair and equal treatment of all prospective and existing suppliers, including equal access to competitive procurement opportunities (such as via quotations / tenders)**
- 4 **Encourage supplier alignment with DMU's own internal policies, such as for equality, diversity and inclusion**

DMU commit to:

- **Actively discourage the use of e-marketplaces that are seen not to support best practice approaches to staff treatment, pay or ethical practice.**
- **Encourage the use of standards in specifications to help adoption of best practice, such as Fairtrade / ISO.**
- **Establish clear guidance on corporate gifts, particularly in respect of international partners and respecting local customs; without creating bribery & corruption risks.**
- **Review at least one key contract annually that has a category assessed higher modern slavery risk, to undertake an in-depth audit of that contract supply chain.**
- **E-learning provided to include counter fraud, the bribery act & modern slavery, available for all staff. This will be compulsory for members of the central procurement team**
- **Actively target 5 supplier each year, to share best practice around Equality, Diversity and Inclusion (ED&I) , to help challenge suppliers approaches and drive improvements in our suppliers approach to ED&I.**
- **Encourage all our suppliers to support payment of equitable wages, alongside supporting the living wage.**

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SME

Procurers at DMU are expected to look at ways they can support the University engaging with, and being supported by, Small and Medium sized Enterprises (SMEs). SMEs are defined by the European commission as companies that have:

- **Turnover of less than €50m**
- **Fewer than 250 employees**

DMUs commitment to supporting SMEs applies equally to both private organisations alongside the voluntary sector, such as charities and social and community enterprises.

Working with SMEs will help support DMU (and its local community) to:

- 1 **Offer and obtain greater flexibility in contracts**
- 2 **Obtain more bespoke customer service**
- 3 **Support the local economy & employment**
- 4 **Access more innovative solutions**
- 5 **Supporting the development of a low carbon economy and reduce carbon from our supply chain activities**

DMU commit to:

- Establish and maintain SME protocols so all procurers are aware of how they can proactively support SMEs.
- Understand our local / national SME supplier base by measurement and annual reporting of spend with SMEs and local SMEs.
- Provide opportunities for SMEs. Including encouraging procurers to invite at least one SME to provide a quote on all activity over £10,000, and advertising publicly all contracts valued over £25,000, unless using a public sector framework (which must have been openly advertised prior to use by the University).
- Reduce actual or perceived barriers for SMEs to compete by annual review and simplification of our standard tender documentation.
- Enforce and measure fair payment terms of a maximum of 30 days, for both our suppliers and any named sub-contractors
- Hosting and participating in SME targeted supplier events, both independently and with local public sector partners to encourage sustainability and low carbon products and services in the supply chain

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SOCIETY

Procurers at the University should consider the social impact of what they are buying, alongside additional social benefits that could be delivered through procurement activity.

The **Social Value Act 2012** mandates that procurers within publicly funded bodies must consider ways that society can be supported, i.e. looking beyond the core contract deliverables, to see how we can work to create a better society together with our suppliers. This may be directly helping our students (such as placement opportunities), but can equally look to support our local communities (such as suppliers offering charitable support or establishing apprenticeship schemes to support the contract delivery).

By considering the social impact of contracts will support DMU to:

- 1 **Help our students by improving employability opportunities**
- 2 **Maximise opportunities available to generate additional social benefits through procurement activity with suppliers at a local and national level**
- 3 **Actively demonstrate legislative requirements of the social value act 2012**

DMU commit to:

- Supplement learning within academic programmes through lectures and workshop offers on sustainable procurement, delivered by the central procurement team.
- Ensure social value is represented in procurement evaluation criteria to a minimum of 5% overall weighting in all contracts above **Public Contract Regulations 2015 Thresholds**.
- Commit to directly support student employability and understanding of procurement through the provision of annual placement opportunities within the central procurement team.

SUSTAINABLE DEVELOPMENT GOALS



VALUE FOR MONEY

It is important that value for money is at the heart of procurement decisions. Value for money is a key principle in procurement and it focuses procurers on ensuring they consider both quality and price when assessing supplier quotations / tenders, to identify the most advantageous suppliers.

We do not as an organisation focus on lowest cost alone, as this can encourage poor purchasing behaviour and may encourage non-sustainable procurement practices.

By considering value for money will support DMU to:

- 1 Ensure contracts are awarded to the most economically advantageous suppliers by considering both quality and cost evaluation criteria (not focusing on price alone)**
- 2 Embed sustainable procurement practice at DMU, with a focus on quality of delivery**
- 3 Generate genuine & comparative savings, based on actual requirements**
- 4 Meet legislative requirements to evaluate suppliers on a most economically advantageous tender basis ('MEAT')**

DMU commit to:

- The establishment and on-going review of central contracts, to ensure these remain relevant, value for money and reduce timescales to market.
- Category managers to support all contract activity over £25,000 providing commercial support and challenge to procurers, to establish value for money in contracts.
- Utilise a whole life costing approach to the purchase, usage and disposal of goods and services.
- Establish training to help staff better understand value for money principles.
- Measure & report savings achieved each year.

**SUSTAINABLE
DEVELOPMENT GOALS**



SUPPORTING SUCCESS

Key to the success of this strategy, is having the right policies, procedures, tools and templates to support colleagues in their sustainable procurement activities, both at present and in the future.

The following are key ways this strategy will be supported and embed at DMU:

1. SME protocols

Clear policy and commitment on how to support SMEs at DMU.

2. Procurement training plan

Corporate training offer, including specific sustainability training. Ensuring that all staff involved in procurement activity understand sustainability issues and best practice.

3. Contract management guidance

Specific guidance on how to manage contracts / suppliers, including templates for contract handover, service level agreements and review meetings.

4. Procurement policy & procedures

Clear policy and procedures to support DMU in best procurement practice. These incorporate the use of procurement checklists, to help embed the theme & principles of sustainability.

5. Mid-point internal / external review

DMU commits to share and update this strategy after 2 years, with feedback from suppliers, students and staff, to ensure it remains relevant in supporting our commitment to sustainability.

6. Specification writing guidance

DMU has an established specification writing guide, to help procurers understand how to best write a specification that delivers optimal results and embeds sustainability into our supply chains.

7. Central contracts

DMU commits to establish central contracts with clear guidance material to help support procurers to embed sustainability in all areas of commonly purchased goods and services.

MEASURING SUCCESS

Key to this strategy, is having clear performance mechanisms established to enable DMU to measure the success of the strategy over its life. This strategy will be in place over a 5-year period from June 2022 to June 2027. This will include a mid-review point and updates in June 2024. All the areas below will be reported on by the University, including annual reporting on performance to the University Leadership Board each year.

The following is how performance of the strategy will be measured:

1. Business critical contracts

DMU will define key business critical contracts with senior responsible owners.

2. Total % of collaborative spend

DMU will report the total % of its annual spend that is classed as collaborative, with the intention to grow this figure with annual improvements on the previous year.

3. Co2e reduction targets

DMU will report progress against its co2e reduction targets, with an aim to reduce these annually.

4. AUDE Sustainability Leadership Scorecard (SLS)

DMU will aim to achieve a minimum score of 3 (out of 4) in all 8 'procurement and supplier engagement' criteria of the SLS by 2025.

5. Credit safe checks

DMU will report on the number of credit safe checks completed each year to ensure an annual increase in use to support on-going financial standing reviews of suppliers.

6. % of spend with local and national SMEs

DMU will report on the annual spend % that is with local and national SMEs. The aim will be to increase this figure annually.

7. Annual savings

DMU will report annual savings achieved (both internally / externally).

8. Number of staff completing procurement training

DMU will measure the number of staff completing both mandatory and elective procurement training and report on this annually.

9. Modern slavery statement

DMU will continue to publish an annual modern slavery statement defining the action taken in the previous year to support action against modern slavery. DMU will also undertake at least one annual audit of a key contract that is seen as a higher susceptibility to modern slavery risks.