University of Bradford

Green Purchasing - A Buyer's Guide

Purchasing Services

Dear Buyer,

This Green Purchasing guide has been put together to help you and therefore the University of Bradford make more informed decisions when purchasing goods and services. As a key buyer within your department and planning unit, it is essential that you are aware of consequences of your purchasing activities and how you can influence them.

As the University increasingly promotes itself as an “Ecoversity”, environmental & sustainability issues are more and more apparent in our everyday working environment. Couple this with Government policies, guidelines and strong messages, not only to organisations but to us as individuals the focus is very much on how together we can all effect change not only in our working but our everyday daily lives as well.

Purchasing Services recognises the vital role that we in procurement can play in meeting the University’s environmental targets. Our efforts are only as good as your actions – putting into practice our policies on a day-in day-out basis. We therefore need your commitment to enable the University to make a significant difference in the short, medium and long-term.

Regards,

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ecoversity
making sustainability work

General Guidelines

Before buying any products or services, a number of questions should be considered:

- Is the product or service really required?
- Can the need be met in another or different way?
- Is a suitable product available elsewhere in the institution?
- Can the requirement be met by renting or sharing rather than purchasing?
- Is the quantity requested essential?
- Can the product serve any useful purpose after its initial use?

Remember, the best way to help the environment is to minimise consumption.

*Sustainable procurement is defined as "***the process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole-life basis in terms of generating benefits not only to the organisation, but also to society and the economy, whilst minimise damage to the environment"**

University of Bradford Purchasing Agreements

The University has a significant number of contracts and suppliers for the supply of a diverse range of commodities and services. The University contracts and agreements take on board environmental information with respect to policies, practises and ethos of the Supplier as well as that of the product and service to be supplied. This information forms an integral part of the evaluation process.

The University acknowledges the work of the **North Eastern Universities Purchasing Consortia (NEUPC)** and other HE Purchasing Consortia who has formulated a high proportion of the University's contracts and who are now very proactive in encouraging the contractors to improve their environmental performances.

Main Product Areas

The following product categories are some of the areas we are all familiar with, where we can achieve positive results with respect to our procurement decisions.

General Stationery - Environmentally friendly products
Products using recycled materials
Products that are recyclable

Computer Consumables - Products using recycled materials
Products that are recyclable

Office Furniture - Furniture from sustainable sources
Products using recycled materials
Products that are recyclable

Paper - Products using recycled materials
Products form sustainable sources

Electrical Goods - Energy Efficient
Recyclable
Environmentally friendly components

Janitorial & Cleaning Products - Environmentally friendly products

Workwear - Fairtrade cotton
Ethical working conditions

Energy – From renewable sources

Eco-Labelling can help in your purchasing decision

Simple graphic indicators are often used by suppliers to illustrate to buyers that their products have been certified as meeting a particular set of environmental standards. The symbols shown below are widely recognised "seals of approval" for products and suppliers. Watch out for suppliers who invent their own!

The Mobius Loop - The internationally recognised recycling symbol is the 3 chasing arrows icon. Each arrow represents an aspect of a successful recycling programme: collection, remanufacturing/reprocessing into a new product, and finally purchase by the consumer.

The European Ecolabel - This scheme was launched to avoid proliferation of separate national schemes. Award of the label signals that the item meets “rigorous environmental criteria and proper fitness of use”, but it does not necessarily mean that a product contains any recycled content. Products featuring the Ecolabel should become more widespread as manufacturers apply to be allowed to use the label on products which comply with the appropriate criteria, which are based on detailed life cycle analysis.
For more information see Web Site: http://www.ecosite.co.uk/Ecolabel-UK/scheme.html

The Blue Angel - This scheme is administered by the German Quality Control Institute, and has been established since 1979. It covers a wide range of consumer products from wallpaper to tyres. Currently, over 4,000 products from various manufacturers carry this widely recognised label.
For recycled paper to qualify for the mark, it must be made of 100% waste paper (tolerance 5%), and contain at least 51% low grade or medium grade scrap and wastes.
For more information see Web Site:
http://www.blauer-engel.de/Englisch

The Nordic Swan - This label was introduced by the Nordic Council of Ministers in 1989, to encourage production methods that create the minimum environmental impact. It covers fine papers and soft tissue grades, but does not necessarily imply that the product contains any recycled fibre. For more information see Web Site: http://www.ecolabel.no/english/

NAPM Recycled Mark - This mark is awarded to those papers which contain a minimum of 75% genuine waste. Genuine waste is defined as: Converters' waste - paper which has left the mill and has become waste during a converting process such as cutting or slitting to meet a specific commercial order. Printers' waste - printed or unprinted waste collected from a printing operation (trimmings, overs or rejects). Domestic or Office waste - collected from homes and offices, printed or unprinted.

The Swedish Confederation of Professional Employees currently offer TCO labels for information technology products. The labels address the life cycle or "cradle to grave" approach to the manufacturing process where it bans such chemicals as chloroflurocarbons (CFCs) and certain chlorinated solvents. It also limits low-frequency electrical and magnetic emissions.
For more details see Web Site: http://www.tco-info.com

ISO 14001

A supplier operating an environmental management system may seek certification to **ISO 14001**. This standard specifies the requirements for an environmental management system in terms of an organisation's environmental commitment to a policy, compliance with applicable legislation and regulations and to continual improvement in its overall performance.
For more information see Web site: http://www.iso14000.com

The Forest Stewardship Council evaluates, accredits and monitors certification organisations which inspect forest operations and grant labels certifying that timber has been produced from well managed forests. Once certified, timber and timber-based products originating from that forest or woodland are eligible to carry the FSC Trademark. For additional information, check out their Web site:
http://www.fsc-uk.demon.co.uk/index.html

EPA Energy Star - The Energy Star® Office Equipment Program is a self-certification program dedicated to reducing energy consumption. It was developed in 1992 by the US environmental Protection Agency to reduce energy wasted during idle periods by personal computers, printers, fax machines, copiers and scanners. Machines with this logo should power down after a period of not being used, and then power up when used again.
For more information see Web site: http://www.epa.gov/appdstar/esoe

The **FAIRTRADE** Mark is an independent consumer label which appears on products as an independent guarantee that disadvantaged producers in the developing world are getting a better deal.

For a product to display the FAIRTRADE Mark it must meet international Fairtrade standards. These standards are set by the international certification body Fairtrade Labelling Organisations International (FLO).

Producer organisations that supply Fairtrade products are inspected and certified by FLO. They receive a minimum price that covers the cost of sustainable production and an extra premium that is invested in social or economic development projects.

The Rainforest Alliance works with foresters, farmers and tour operators throughout the world to ensure that their goods and services are environmentally and socially friendly. Conscientious consumers can "vote with their dollars" to support environmental conservation by choosing such products

Ground Rules for Integration of Environmental Considerations into the Procurement Process

Understand the Business Reasons

Integrating environmental considerations into the procurement operations should be based on sound business reasons, including an evaluation of the costs and benefits. Some of the threats of not assessing the environmental performance of suppliers will lead to increased risk over quality of supply. There may also be opportunities created by addressing environmental considerations and these include improved efficiency (and hence lower costs), a reduced risk of prosecution from increasingly stringent 'environmental' legislation and greater market opportunities associated with a good environmental image.

Adopt a Partnership Style

The partnership concept is already an integral part of purchasing and supply in a growing number of organisations. The reason that it is seen as an important initiative in purchasing is because:

- Customers can help suppliers to achieve a better understanding of the need for environmental improvements. Together, they may find mutual commercial and financial benefit resulting from initiatives that are aimed at improving efficiencies and avoiding risks;

- Suppliers can help customers to achieve a better understanding of environmental effects and their causes in the supply chain. Organisations should work together and to share information to determine best available solutions.

Whole Life Costs

While it may be true that initial steps to improve environmental performance may have costs associated with them in the short term, the result is often improved business efficiency, leading to cost saving over the long term.

Taking a longer-term view also requires an approach to costing or pricing that accounts for the overall costs of a product. The principle behind whole life costing is simply that all products go through a life cycle with financial costs for each part of the life cycle.

Acquisition costs tend to be the first cost to the purchaser, but this is then supplemented by other costs, including operational, maintenance, disposal and retirement costs.

Using this approach, purchasers should consider not just the acquisition costs of new capital, but also staff costs, training, training aids, support equipment, operating costs, maintenance costs, and withdrawal from service and disposal costs.

At the heart of this approach is the realisation that many products can have hidden costs for the purchaser.

Important Elements in the Procurement Process

Pre-Specification

Before buying any products or services, a number of questions should be considered:

- Is the product or service required?
- Can the need be met in another way?
- Is a suitable product available elsewhere in the institution?
- Can the requirement be met by renting or sharing, rather then purchasing?
- Is the quantity requested essential?
- Can the product serve and useful purpose after its initial use?

Criteria to be considered when determining potential impacts of goods and services:

- Biodegradability
- Design for disassembly
- Energy and water efficiency
- Ethical credentials of supplier
- Fault controls to prevent unnecessary waste
- Health and safety standards
- Local production
- Maximum durability, repairability, reusability and recyclability
- Minimum packaging
- Minimum use of no-renewable resources
- Minimum use of toxic chemicals, CFCs, ozone and other pollutants
- Use of recycled/re-used materials

Key Purchases and Examples of Criteria to Consider

- Cleaning materials - e.g. Favour biodegradable, non-toxic
- Decorating materials - e.g. Favour organic paints
- Energy - e.g. favour renewable, efficiency
- Equipment (for example, computers) - e.g. Favour energy efficient products, clean manufacturing processes
- Food - e.g. favour organic, local, fair trade
- Furniture - e.g. If wooden favour forest stewardship council (FSC) certified
- Paper - e.g. Favour recycled, chlorine free
- Vehicles - e.g. Favour three-way catalytic converters, fuel-efficiency

Specification

A specification can be defined as 'a statement of needs to be satisfied by the procurement of external resources'. In other words, it defines what the purchaser wishes to buy and, consequently, what the supplier is expected to provide. Three types of specification are generally used:

1. **Functional** - those which define the function or duty to be performed by the service
2. **Performance** - those which define the performance required of an item
3. **Technical** - those which define the technical and physical characteristics of an item.

The specification stage is key to all types of contract. By building in environmental considerations at this early stag, you are providing a clear indicator to your suppliers that the environment is important to your organisation.

If it is essential to purchase, it is important when choosing products to consider whether alternatives are available which are less environmentally and socially damaging. Consider all the phases of a product's lifecycle (e.g. production, transportation, maintenance, disposal etc.) when determining its cost and environmental impact. Assess the overall environmental probity of suppliers by looking at their policies and practices.

Examples of criteria to consider when determining potential impacts of goods and services include:

- Fit for the purpose and provide value for money
- Energy and resource efficient
- Minimum use of virgin materials
- Maximum use of post consumer materials
- Non (or reduced) polluting
- Durable, easily upgraded and repairable
- Reusable and recyclable.

The specification of a particular environmental requirement may occasionally result in a purchase that costs more - even after taking account of whole life costs - than a less environmentally preferable product or service. There is no reason why this extra cost can't be justified on environmental grounds, although care should be taken to ensure that a proper balance is struck between the cost and the perceived environmental benefits.

Pre-Qualification - Tender Pre-selection - Tender Evaluation - Contract

Pre-qualification is an important step, particularly for longer-term contracts where a large selection of suppliers can be easily reduced in number by using questions that intended to elicit basic information on a supplier's understanding and commitment to addressing environmental issues. This may be dealt with at the 'Tender Evaluation Stage' that would cover the evaluation of specific environmental data, building on what was asked for in the pre-qualification stage.

It is important not to overlook the supplier's environmental policies and practices, particularly if they are a major supplier to the University or your division/faculty. Ask them to provide their environmental policy and details of their environmental performances. Do they operate an environmental management system and if so have they obtained certification to ISO 14001? Do any of their products carry any environmental "labels"?

Work with suppliers to improve their environmental performance. If they have been successful in undertaking environmental initiatives, pass the information onto colleagues and other universities. By promoting the "good practice" of suppliers, it will encourage them to seek further improvement which can only benefit them, UoB and the environment.

For further guidance and some best practice case studies within the university sector see the HE21 Best Practice Bulletin on Purchasing. Available via the Web at http://www.he21.org.uk.

With regard to environmental issues, questions used during the pre-qualification stage should be very general and aimed at gathering information on the supplier's environmental awareness and commitment. Ideally, those questions will not prejudice SMEs without formalised systems that nonetheless have high levels of awareness.

Contract Management & Evaluation

The final stage of the procurement process identified as being central to the integration of environmental considerations is the management of the contract once it has been awarded. This is particularly important in long-term contracts and for strategic suppliers where there might already be a good relationship between the purchasing department and the supplier.

In order to evaluate the performance of the contract and the contracted supplier a systematic measurement is needed. While environmental performance measures are in their infancy, other areas of supplier performance such as quality, delivery performance and after sale service are measured using sophisticated indicators. Some basic principles can be identified:

- Measures should be consistent with the overall company objectives - for example, where a company has an overall objective to reduce CO_2 production, an appropriate indicator would focus on measures that deal with energy consumption (transport etc).
- The number of indicators should be limited as far as possible, thereby minimising confusion and causing information overload.
- Indicators should be simple and understandable and should ensure the user is able to track performance over time.
- They should be measurable.

Ranking Supplier Performance

The final element in the evaluation of supplier performance is to be able to rate or rank it against some other level of performance. Generally this can be done against three types of 'benchmark':

- a general standard
- performance on a previous order
- another supplier's performance

Again, each of the three types of benchmark requires different levels of sophistication on the part of the supplier company. For this reason, it is recommended that purchasers encourage their suppliers to benchmark performance against 'general standards' where they exist, and only once this has been achieved should attempts be made to assess performance against the second and third categories.

Some general standards already exist - these include Euro standards for emission performance, and energy efficiency standards developed the Energy Efficiency Best Practice Programme (EEBPP). Environmental Management Systems (EMS) such as ISO 14001 - the international standard, and EMAS (Eco-Management and Audit Scheme) are now commonplace in larger organisations.