**Narrative for the University of Manchester Procurement**

**What is responsible procurement?**

There is no single definition of responsible procurement; it is generally considered to be a procurement process that considers social, environmental and economic impacts to support sustainable development.

At the University of Manchester we believe responsible procurement is:

‘How we ensure that the environmental, social and economic impacts of what we buy are considered within the procurement process. Where the goods or services we purchase have negative impacts we will reduce them and where we have positive impacts we will enhance them.’

Kevin Casey; Head of Procurement, University of Manchester

Procurement at the University of Manchester:

Quick/key facts about procurement (based on figures for 2014-15:

* £400M approx. non staff spend
* 8,000 approx. suppliers
* Professional Team of 12
* 3,000+ devolved procurers

**Why is responsible procurement important to the University of Manchester?**

[Social responsibility](http://www.socialresponsibility.manchester.ac.uk/) is one of three core strategic goals in the [Manchester 2020 strategy](http://www.manchester.ac.uk/discover/vision/), sitting equally alongside our commitments to World-class research and outstanding learning and student experience.

We have committed to pursuing change across five social responsibility priorities; one of which is [responsible processes](http://www.socialresponsibility.manchester.ac.uk/strategic-priorities/responsible-processes/). As a major purchaser of goods and services both locally, nationally and internationally it is clear that responsible procurement has a significant role to play in supporting this institutional goal.

Another of our social responsibility priorities is [environmental sustainability](http://www.socialresponsibility.manchester.ac.uk/strategic-priorities/environmental-sustainability/) and we are working hard to consider not only how we protect natural resources and reduce the negative impacts that products or services we procure have but also how we can use our purchasing power to add value and maximise positive contributions too. Responsible procurement at the University of Manchester has been a collaboration between the procurement and environmental sustainability teams.

As a large employer and purchaser we also believe it is important to take an active lead on responsible procurement in line with our strategic commitment to being socially responsible. This means taking opportunities to align our own approach with aspirations in our city for greater collective impact, for example:

*Manchester City Council recognises the impact of its procurement activities in furthering sustainable development and in reducing environmental impacts such as climate change. We are committed to integrating sustainability, environmental and social issues into our procurement process through the balanced consideration of social, environmental and economic impacts.*

Finally, as a sector leader we are keen to share our progress with our peers as part of the professional groups we contribute to; sharing knowledge and learning as part of our commitment and approach.

Key drivers for responsible procurement at the University of Manchester are therefore:

* To support our commitment to Social Responsibility *and* Environmental Sustainability
* To strive to have a positive impact through our spend – by reducing negative impacts *and* enhancing positive impacts
* To take a meaningful lead as the largest UK university

**Taking a NETpositive approach to procurement**

In the recent report: [*Measuring the Impact: the Economic and Social Impact of the University of Manchester (2013)*](http://www.socialresponsibility.manchester.ac.uk/includes/uploads/Impact_Report_1OCT.pdf) we were able to demonstrate the considerable positive contributions we make to wider society through our very existence as a learning and research-intensive institution.

Clearly a significant part of our impact relates to our considerable purchasing power as well as our economic contribution to society. We have come to understand that our positive impact can be enhanced further and that our procurement practices and processes offer an opportunity to maximise this potential.

We have been developing our understanding of taking a NETpositive approach to our procurement practices, exploring what this means for our procurement processes and engagement with our partners. We are confident that by adopting an approach that not only supports the reduction of our negative impacts but helps us to consider how we can enhance our positive impacts we will be able to engage effectively with both our internal and external stakeholders.

Taking a NETpositive approach also provides us with a sensible framework for reporting progress, which in addition to demonstrating our transparency also supports our aspiration to take a lead regionally and within the higher education sector by sharing our own learning.

**Our Approach to responsible procurement**

**Utilising the Flexible Framework**

For those who are not familiar with the Flexible Framework, at its simplest level it is a tool developed for procurement professionals to support embedding sustainability into procurement practice. We have utilised this tool for three main reasons:

1. It is a well-recognised tool in the public and private sectors and provides a logical and consistent framework
2. It focuses on the procurement process and if we are to maximise and measure our positive contribution we need to focus our efforts where we can have significant and long-term impacts
3. We are able to customise the detail of the Flexible Framework to ensure a good ‘fit’ with The University of Manchester’s existing strategic commitments to Social Responsibility and Environmental Sustainability

The Flexible Framework focusses on key areas of procurement; policy and strategy, people development, the procurement process, supplier engagement and measurement of impact, and provided our starting point.

Working with NETpositive Futures we have also been able to take the existing Framework even further and have developed a NETpositive approach to responsible procurement for the University of Manchester context. This has meant that rather than concentrating solely on the negative impacts of our procurement activity we have actively sought to maximise opportunities to consider our positive impacts too.

**Our Core Approach**

The description of our approach is meant for non-procurement professionals.

**Some Challenges and Our Approach**

Demonstrating real progress in relation to responsible procurement has previously been something we have struggled with, in spite of an understanding that our procurement team was central to affecting change. This was partly due to some confusion over where to start and partly due to the existing workload within our team.

Establishing some real clarity about our commitment to utilising the Flexible Framework was a first step, we realised quickly that progress had previously been slow because we were starting in the wrong place on the Framework itself. Instinctively we had been trying to achieve level 1 before we moved to level 2. However, once we set ourselves the ambitious target of achieving Level 4 we were able to re-focus our efforts on a more ambitious action plan and progress soon followed.

The workload of our team was not reduced to enable us to concentrate on responsible procurement; rather we developed an approach that integrated responsible procurement into the practices of an excellent procurement team. By embedding the approach in this way the training undertaken, the review and refresh of policy or practices was all understood to be part of core business for a team of procurement professionals. This also enabled the work undertaken to be shared across the team.

Lastly, a final, but central, tenet of our approach was a commitment to deepening the relationship between the procurement and ES teams. This activity draws on the expertise of both teams enabling them to work in collaboration to support wider institutional objectives.

As part of our commitment to sharing our learning what follows is a breakdown of our approach.

**Governance and Strategic Commitments**

We started the process by taking time to identify and clarify our strategic commitment to responsible procurement. We had already made clear policy commitments to sustainability within the procurement function, however, to maximise their impact we also needed to ensure that we had a clear plan in place to deliver and monitor the successful implementation of these commitments.

We utilised the [action planning tool and approach](http://www.netpositivefutures.co.uk/wp-content/uploads/2014/04/Achieving-the-Flexible-Framework-L4-in-12-Months.pdf) developed by NETpositive Futures and set out to achieve Level 4 of the Flexible Framework in 6 months.

*This stretching target was key to stimulating dialogue with the team* ***and*** *the broader university as well as providing us with the incentive and energy we needed to achieve our ambitious aims.*

**Materiality Analysis**

We systematically reviewed the priority environmental, social and economic issues identified as being material to our institution and broader partners. This meant clearly understanding how the procurement function contributed to delivering the Environmental Responsibility and Social Responsibility commitments of the institution.

*This has helped us ensure that the issues we try to address through the procurement process contribute to the strategic objectives of the institution and our key partners.*

**Risk and impact analysis**

Utilising our spend analysis data, the Marrakesh Risk Analysis Tool and AUPO Sustainability Risk Analysis activity we identified the top 72 high risk and impact (environmental, social and economic) commodity areas. Once we had the priority commodity areas identified we supplemented this activity by doing a detailed sustainability impact appraisal on each one (Level 2).

This activity was carried out by the procurement team (following some training) and reviewed by the environmental sustainability team, it now forms part of the core procurement process.

*This has helped us ensure that we can prioritise key suppliers and internal purchasers for further engagement and to support responsible procurement.*

**Training and Development**

As previously mentioned we have sought to ensure that responsible procurement becomes synonymous with excellent procurement practice within our team. This has meant using the activity as an opportunity to build staff confidence and competence on integrating sustainability into procurement decisions.

A series of 5 workshops has been delivered to the team ranging from basic training to advanced understanding on responsible procurement. This has been crucial to developing ownership within the procurement team. Working with the team in this way has also enabled us to be confident we are all communicating effectively and are able to engage with suppliers and the broader institution with real confidence and clarity.

*This has been important as we feel it is crucial that we can demonstrate how we undertake responsible procurement ourselves before we begin to influence suppliers and devolved purchasers.*

**Supplier Engagement**

As our responsible procurement work has progressed our commitment to the NETpositive approach has deepened. Our training sessions have enabled the whole team to really understand the potential our procurement processes offer to enhance our positive impacts as well as reducing our negative impacts.

The deeper knowledge now possessed by our team means that supplier engagement is able to move to a new level in relation to responsible procurement. A team that understands responsible procurement and has real clarity in terms of our own approach is a team well-equipped to have meaningful conversations with suppliers.

Again, driven by our desire to take a lead, we are delighted to be the very first university using the brand new NETpositive Supplier Engagement Tool ***with all our suppliers***. We introduced this exciting and innovative approach to our suppliers at a special event in October and launch and roll-out will begin in January. In a nutshell every past and current supplier will be given access to a tool which will assist them in developing a sustainability action plan. Contracted suppliers will be asked to present their action plan at contract management meetings for discussion. We will use the data gathered from the tool to shape our ongoing supplier engagement activities on sustainability and report on an annual basis the impact we are having.

**Staff Support and Guidance**

We have re-developed our website to support staff to develop a better understanding of responsible procurement and what they can do. We routinely speak at internal staff sessions to promote responsible procurement and ensure that staff are aware of the opportunities it provides.

We have included a module on responsible procurement in a staff learning programme, which is being rolled out to all 11,000 staff. As part of the learning programme an action planning tool will provide the opportunity for staff to undertake actions to procure more sustainably and we are able to gather data from the tool to shape our engagement with staff and provide further guidance where it is needed. This is a major opportunity to support and influence the whole organisation to take responsible procurement forward as part of business excellence.

**Measurement and Reporting**

Measuring and reporting on the positive impact of our procurement activity in line with our commitment to Social Responsibility and Environmental Sustainability is an important part of how we will take responsible procurement forward. We have set a number of key targets /Key Performance Indicators, which we will report against annually. We will produce an external facing annual report to demonstrate our commitment to responsible procurement and share our learning with the sector. Some of our targets include;

* Achieving Level 5 on the Flexible Framework by March 2016
* Ensuring every supplier to The University of Manchester is provided with support to develop their own sustainability action plan by September 2015
* Provide the opportunity for all staff to develop their own commitment to sustainable procurement by December 2017

We will report against these and other targets on an annual basis and share our learning with the sector as part of our ongoing commitment to both transparency and leadership.

**Conclusion**

We hope you have fond this document useful and that it explains a little of our journey and commitment to responsible procurement. If you have any questions please get in touch.

Kevin Casey, Head of Procurement

Ian Jarvey, Deputy Head of Procurement

The University of Manchester was supported on this journey by NETpositive Futures (<http://www.netpositivefutures.co.uk/>)