



North Eastern Universities  
Purchasing Consortium

NEUPC Ltd  
Phoenix House  
3 South Parade  
Leeds  
LS1 5QX

Tel: 0113 487 1750

## **RESPONSIBLE PROCUREMENT AND SOCIAL VALUE POLICY**

**Effective 1<sup>st</sup> October 2020**

*Reviewed and updated:*

### **1. Introduction**

Responsible Procurement (RP) considers the lifetime environmental, economic and social impact of the goods, works and services procured. It is an essential consideration for all HEIs, that RP is balanced with achieving value for money and generating socio-economic benefits whilst also minimising damage to the environment. It should be considered at all stages of the purchasing lifecycle: from planning to design, manufacture, operation, maintenance, reuse, recycling and disposal; in addition to monitoring suppliers' capabilities in managing their own sustainability issues, considering social value opportunities and eradicating modern slavery across their supply chains within a sustainable cost model.

NEUPC are committed to embedding RP into all elements of its practice by:

- minimising pollution
- Reducing carbon emissions
- conserving energy and resources
- reducing the use of plastics and minimising excess packaging
- encourage and support the circular economy
- maximising social value opportunities
- verifying ethical practices and focusing on eliminating modern slavery risks

The Social value Act (2012) places additional responsibilities on NEUPC and its members. Social Value (SV) is about improving ideally at no extra cost, economic, social and environmental wellbeing from public sector contracts. Used properly, SV can be beneficial to NEUPC, our member universities, suppliers, students and society, and presents a joint effort to achieve the maximum value from procurement. It is a way of thinking about how scarce resources are allocated and used to improve the economic, social and environmental wellbeing. It involves looking beyond the price of each contract and looking at what the benefit can be when awarding a framework.

It is recognised that at framework level there are limitations on the SV inputs and outcomes NEUPC can include. In consultation with our members, we have considered the specific themes which are most relevant to NEUPC framework activities and support member's goals where they strive to be Civic Universities. Therefore, our focus is on 4 key themes: -

- I. Skills and Employment
- II. Diverse and Inclusive Supply Chains
- III. Environment

#### IV. Safe Supply Chains

In the financial year 2018-19, NEUPC members spent over £400m through collaborative agreements. This provides an excellent opportunity to make a positive impact through the implementation of our RP and SV responsibilities.

The purpose of this Policy is to establish NEUPC's commitment to deliver procurement services in a way that actively promotes and enhances the RP and SV performance of our organisation, our members and our suppliers, and provides guidance for NEUPC Category Managers (Annex 1) on how to ensure this is delivered to members throughout the procurement process to contract management.

### 2. Scope

This policy covers all NEUPC activities, including: the creation and management of HE sector framework agreements for goods, works and services; member services; and the CIPS and apprenticeships centre. It must be noted that the value of this policy can only be fully realised with the support of our members and suppliers.

### 3. References

The Responsible Procurement Policy considers the sustainability guidelines, objectives and best practices set out in the following policies, initiatives and legislation:

- [NEUPC Governance Manual](#)
- [United Nations Sustainable Development Goals 2018](#)
- [Procuring the Future: Sustainable Procurement National Action Plan 2011](#)
- [DEFRA's Flexible Framework](#)
- [ISO20400:2017](#)
- [UK Resources & Waste Strategy 2018](#)
- [Government Buying Standards](#)
- [Public Services \(Social value\) Act 2012 and Social value in Government Procurement \(Consultation 2019\)](#)
- [National TOM's Framework](#)
- [The Companies, Partnership and Groups \(Accounts and Non-Financial Reporting\) Regulations 2016](#)
- [UK Environmental Reporting Guidelines 2019](#)
- [Committee on Climate Change Net Zero Report and Target](#)
- [NUS Green Impact](#)
- [New Plastics Economy Global Commitment 2018](#)
- [Modern Slavery Act 2015](#)

### 4. Responsibilities

The Head of Consortium will ensure that this Policy is implemented and updated as required. Policy objectives (section 5) will be monitored and relevant progress reported to the NEUPC RP Group, Procurement Strategy Group (PSG), and the Board. NEUPC and member RP achievements will be promoted and where relevant shared with appropriate sector bodies. This Policy and any related action plans will be reviewed in line with new developments in good practice and legislation.

## 5. Objectives

This Policy outlines the following objectives to enable NEUPC to achieve its commitments to responsible procurement, outlined in the Governance Manual:

- i) Minimise environmental and ethical risks and drive performance through NEUPC supply chains.
- ii) Maximise the opportunities for leveraging the value of collaborative procurement to bring about social and economic benefits to communities.
- iii) Embed responsible procurement and social value considerations at all stages of the procurement lifecycle.
- iv) Ensure our members receive best value by supporting and guiding responsible procurement activities.
- v) Establish NEUPC as a sector leader in responsible procurement practice.

## 6. Processes

NEUPC will achieve its objectives through the following processes

### • Procurement process

- Where appropriate, include a minimum of 10% of award criteria to evaluate sustainability considerations within a tender.
- Consider environmental, economic and social impacts and benefits across the procurement lifecycle, from strategy and specification design to contract management and asset disposal or reuse.
- Establish a comprehensive understanding of sustainability risks in each category's supply chain including tier 1 and where possible, tier 2 suppliers with Frameworks considered high risk.
- Include risk/impact analysis within Category and sourcing strategies
- Pre-market engagement with stakeholders and suppliers where appropriate, small to medium enterprises, micro-businesses, charities and social enterprises.
- Consider use of lotting and encourage framework suppliers to use of smaller sub-contractors to support social and economic benefits within the regions.
- Encourage Framework suppliers sign up to the NEUPC sustainability database (NETpositive/SUSTAIN) as a condition of award.
- Ensure at least one contract KPI for social or environmental performance within frameworks.

### • Organisational Considerations

- Featuring sustainability considerations within operations, services and meetings.
- Staff training and continuous professional development.
- Ensure procurement staff complete CIPS annual ethical test to maintain corporate certification.
- Maintaining an NEUPC contract risk register detailing social, economic, financial, environmental and reputational risks.
- Where relevant include targets on supplier signup (NETpositive/SUSTAIN) and sustainability initiatives within Frameworks.
- Utilise appropriate tools and processes to gather relevant information

- **Delivering member services**

- Include RP in category management groups and tender working parties as a standard agenda item.
- Providing training opportunities, webinars and resources to support and enhance member and supplier knowledge of RP and SV.
- Promote RP and SV and raise awareness across NEUPC membership.

- **Supplier and contract management**

- Undertaking supply chain mapping and monitoring using tools and sustainability databases where appropriate.
- Monitoring and updating contract risk registers on an annual/biannual basis in accordance with the supplier risk criteria or a risk 'event'.
- Ensuring Supplier's Modern Slavery Statement are compliant and encourage below threshold suppliers to develop and produce an annual statement.
- Encouraging Framework suppliers to sign up to the SUSTAIN code of practise
- Monitoring and review Suppliers sustainability action plans using available tools.
- Utilising supplier relationship management to challenge and drive social and environmental innovation and improvements.
- Reviewing KPI targets annually and amend KPI's to encourage further social or environmental improvements.
- Supporting the development of Framework Suppliers through collaboration and training
- Championing collaborative responsible procurement initiatives for the sector and challenging suppliers and other stakeholders to bring about measurable improvements

NEUPC staff should make use of the guidance provided in Annex 1 in developing their sourcing strategy, tender documentation and considerations for contract management.

## **ANNEX 1: Guidance for Category Managers**

This guidance has been developed to provide practical suggestions on how RP and SV value outcomes can be incorporated into procurements. In doing so, we can help achieve positive outcomes through the contracts we procure. The aim is to inspire, encourage and explore opportunities to secure responsible procurement and SV benefits through the procurements NEUPC lead and manage.

It has been developed to aid category managers and tender working parties to think about how RP and SV can be incorporated into the procurement of goods, services and works. It is not a set of instructions, however, consideration of what is appropriate in each case and will require flexibility and innovation. Category Managers and tender working parties must use their judgement to determine what is appropriate and possible with each procurement.

This Guide may also be shared with current and potential suppliers so that they understand what NEUPC's priorities are and to think about how they can contribute.

To deliver RP and SV in procurement our category managers must consider what opportunities exist in any procurement opportunity to deliver added value to society, whilst minimising damage to the environment. Therefore, our focus is on 4 key themes: -

- I. Skills and Employment
- II. Diverse and Inclusive Supply Chains
- III. Environment
- IV. Safe Supply Chains

When procuring goods or services we must look to incorporate the 4 key themes by following the next steps:

- As part of the consultation process before carrying out the procurement - determine what key theme outcomes would be proportionate and relevant to the contract. These may be included within the specification and contract terms, and may be scored as part of the tender evaluation, where relevant to the subject matter of the contract
- Structuring the procurement in such a way that smaller organisations are not deterred from participating in tender exercises, whether directly or within the supply chain. For example, through regional lotting, reducing financial threshold and minimum insurance levels, limiting the number of lots suppliers can be awarded to.
- Endeavour to include the key theme outcomes under the sustainability criteria with a minimum weighting of 10%.
- Through dialogue with potential tenderers, raise awareness and encourage greater knowledge of key theme outcomes generally where they do not form part of the specification
- Invite bidders to consider for themselves whether there are additional key theme benefits they can deliver

- Only include what can be measured, monitored and evaluated
- Obtain bids from suppliers which demonstrate their, and where appropriate their supply chains', ability to add economic, social and environmental value
- Ensure suppliers provide evidence to illustrate how the procurement would contribute to the outcomes NEUPC have specified. Evaluation should allow us to choose a supplier under a tendering process who not only provides the most economically advantageous tender but goes beyond the basic contract terms and secures wider social benefits
- Use the Responsible Procurement Risk Assessment tool.
- Support Government and sector initiatives and targets by designing specifications and contracts that support measurable and continuous improvements in environmental sustainability for the life of the contract where appropriate
- Tender documents must maximise the potential for key theme outcomes. This will include scored questions. Tender documents will make clear the scoring mechanism and the weighting criteria to be attributed to the sustainability element of the bid. The bid will also detail any contractual elements in relation to responsible procurement and social value and Key Performance Indicators
- Suppliers will need to demonstrate and evidence what and how they can deliver in relation to added key theme benefit as part of the specific contract
- Where frameworks are used, the key themes can be included within the framework itself and where appropriate call-offs
- Suggestions for call-off evaluation criteria should be included in the Buyers guide to encourage impact at institution level.
- Consideration of the key themes is proportionate and relevant and does not compromise the successful on time delivery of the contract
- Contract award report to include detail of what benefits will be delivered and how this will be monitored
- Consider how the contract will be managed to capture key theme outcomes

## **Key Theme considerations**

It should be noted that this list is not exhaustive or all-inclusive and Category Managers should undertake commodity specific research as part of their sourcing strategy. Further support and guidance can be obtained from the NEUPC Responsible Procurement and Training Manager.

### **I. Employment and Skills**

Creation of employment and skills opportunities, considered regionally and/or nationally

#### ***Key Considerations***

- Support staff to increase their skills
- Implement good employment practices - improve suppliers' own policies and practices
- Create new employment opportunities
- Support or mentor people into jobs, placements and apprenticeships
- Providing learning/training opportunities to people with low skills
- Measures to ensure pay, benefits, training and the working environment contribute to quality services. Ensure issues of low pay are considered and addressed (also in the supply chain)
- Encourage contractors and suppliers to pay the Real Living Wage to all their employees as a minimum and their supply chains
- Engagement with Schools, Colleges and Universities, Charities, Social Enterprises and community groups to support their curriculum development and student and graduate placements and internships

#### ***Recommended Measures***

- Jobs created as a result of the contract
- Unemployed people gaining employment
- Progression towards paying a living wage to employees
- Paying a real living wage
- Businesses operating apprenticeship schemes/work placements and support young people into apprenticeships
- Training places/ apprenticeships/work placements/internships/ graduate roles
- People supported to gain a qualification
- Employees benefiting from learning and development activities
- Level of qualifications achieved
- Level of support (no. of hours) for schools, Colleges, Universities, Charities, Social Enterprises and community groups to support their curriculum and development

### **II. Diverse and Inclusive Supply Chains**

Ensure supply chains are accessible to all types of businesses, including SMEs, VSCEs, businesses owned or led by under-represented groups. Ensure businesses are inclusive in terms of employment practises and support the health of their employees

#### ***Key Considerations***

- Equality and diversity in the delivery of goods, works and services

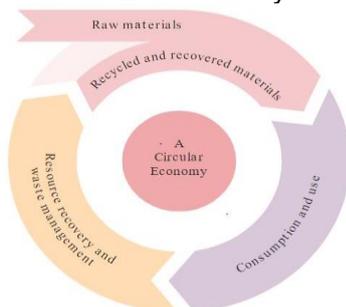
- Employing people with a disability or people furthest from the jobs market facing additional barriers e.g. rehabilitating offenders, armed forces veterans, NEETs, care leavers, long term unemployed, BAME, disadvantaged background etc.
- Gender pay gap and gender specific roles
- Workforce representative where relevant and proportionate.
- Drawing the attention of local organisations to contract opportunities
- Use of lots within contracts
- Main contractor to open their own supply chain to smaller businesses
- Suppliers work with voluntary and community organisations via contracting/subcontracting arrangements
- Prompt payment to suppliers and sub-contractor
- Equality and diversity training for employees and subcontractors if appropriate
- Businesses with a Workplace Health Charter reduce health inequalities
- Provide occupational health support and a supportive workplace for employees with physical or mental health issues

### **Recommended Measures**

- Contracts with social and enterprise partnerships
- Number of contracts with social enterprise partnerships
- Business owned or led by under-represented groups
- Value and percentage of spend won by SMEs and VCSEs
- Value and percentage of spend won by business owned or led by under- represented groups
- Invoices paid on time – Tier 1 and 2 suppliers
- Number of people employed who face barriers to employment i.e. Percentage employed BAME, disabilities, gender, rehabilitating offenders etc.
- Percentage of work sub-contracted to or value of business placed with social enterprise partnerships, voluntary and community sector organisations and small and medium-sized enterprises
- Average gender salary pay gap for staff in relation to the contract
- Initiatives to encourage diverse workforce
- Initiatives to reduce gender pay gap
- Initiatives to support mental health and well-being in the workplace
- Transparent recruitment procedures
- Supplier Equality and Diversity policy

### **III. Environmental**

Reducing negative environmental impacts and supporting sustainability initiatives, moving towards a circular economy where possible.



(Ref. Government Waste Strategy 2018)

## **Key Considerations**

- Reducing waste/increasing recycling rates.
- Reduced amount of waste sent to landfill
- Reduced emissions and greenhouse gases – UK target of net zero by 2050
- Developing sustainable transport options
- Clean Air Zones
- Reduced packaging
- Reduced use of plastic (Budget 2020 announced tax on plastic packaging which is not 30% recycled)
- Move away from single use plastics in products and equipment
- Recognise the environment as an important asset
- Initiatives which retain, protect, enhance and/or promote the character of the natural environment for the benefit of people and wildlife
- Increased biodiversity
- Reduce energy and fuel consumption
- Reduce water consumption
- Reduced carbon footprint
- Circular economy and design for recycle or re-use
- Effective and improved environmental performance
- Certification to Environmental Management System Standard or evidence of environmental commitments in place
- Conflict minerals
- Manufacturing methods and likely environmental or social impacts from chemicals, effluent or gases
- Country of origin
- Using resources from nature more sustainably
- Batteries/power source
- WEEE regulations likely to be revised and move toward extended producer responsibility for other products
- Disposal of used product

## **Recommended Measures**

- Reduced waste to landfill from year 1 baseline
- Reduced energy use
- Use of renewable energy
- Reduced water use
- Reduced and or supplier return packaging
- Initiative to improve air quality and maintain and improve the environment
- Energy efficient buildings and/or environmentally conscious construction
- Reduce Co2 emissions
- Vehicle fleet – electric and energy efficiency/ environmental impact
- Minimise distribution miles and develop efficient route plans
- Use of sustainable materials and appropriate certification e.g. wood, metals, minerals, skin-based products, oil-based products.
- Support for external environmental projects
- In-house environmental initiatives and within supply chain
- Sustainable Chemicals policy
- Green manufacture initiatives
- Minimising waste policy including through design for manufacture and re-use of waste

- ISO 14001 certification , an Environmental Management system or Sustainability/Responsible Procurement Policy as and where appropriate
- Lots for recycled, refurbished or re-manufactured goods
- Return to supplier at end of use
- Support for community or national environmental projects

## I.V Safe Supply Chains

Safe and secure supply chains – Modern Slavery risks reduced

### **Key Considerations**

- Prime contractor and any key suppliers or sub-contractors engage with the supply chain to identify, and build resilience against, modern slavery risks
- Annual Modern Slavery statement compliance
- Actions taken to actively raise modern slavery awareness
- Staff training on modern slavery
- Policies to prevent modern slavery including pre-employment checks
- Employee access to grievance mechanisms to report incidents or suspected incidences of modern slavery
- Supply chain mapping to support how organisations identify modern slavery risks
- Working with non-profit-organisations or other businesses to address modern slavery risks
- Conflict minerals often mined and processed by modern slavery
- Low skill services and industries that rely on temporary or seasonal labour hold more risk of modern slavery e.g. security, cleaning services, textiles, food processing, events staff, manufacturing etc.
- Assess risk using Government Modern Slavery characteristics [guidance](#)

### **Recommended Measures**

- Number and type of initiatives throughout the supply chain to identify and manage the risks of modern slavery occurring
- Number of supply chain audits to be undertaken in the supply chain, to identify and manage the risk of modern slavery occurring
- Number of people employed to Tier 2 in the supply chain to identify and manage the risk of modern slavery occurring
- No of permanent to temporary staff
- Recruitment practises for temporary labour
- GLAA license where appropriate
- Identify country of origin for manufacture and main raw materials

### **Monitoring and reporting outcomes**

As well as considering RP and SV as part of any procurement process, it is also important to consider how the outcomes will be monitored and included in the specification or tender documents the bidder has committed to deliver. Category managers should, therefore, monitor and

measure outcomes through contract management and KPI's and consider how they will quantify and report on the impact and record where appropriate BT savings.

Where appropriate and following contract award, outcomes should be included in the monitoring and reporting arrangements agreed with suppliers. It is important that the economic, social and environmental aspects are captured where possible using key performance indicators, in order that the impacts can be measured and quantified. RP and SV should be included under the Sustainability agenda item or ongoing performance and contract review.

Where category managers consider they can provide positive feedback on either the process or where there is evidence that tender brings significant environmental or social value benefits and responsible procurement assurance to members, this should be fed back to the Responsible Procurement Manager and Marketing Manager for relevant promotion and publicity. Lessons learned can be captured and shared and case studies produced to share good news stories.

## **Other Resources**

[HEPA risk category by PROC-HE code](#)

[Defra Marrakech risk prioritisation tool \(now archived\)](#)

[SDG Tender and Call off questions](#)

[NEUPC Sustainability Question bank](#)

Category impact analysis

Member specialists

[UK Gov't Modern Slavery Assessment tool](#)

[GLAA sector reports \(labour exploitation\)](#)

[Government Waste Strategy 2018](#)

[UK Government Modern Slavery Procurement Guidance](#) 2014 – see risk characteristics table page 19-21