



## Re-evaluation report on BS ISO 20400:2017 for LUPC



Report prepared by:  
Bill Marshall – Senior Consultant

Reviewed and approved by:  
James Cadman – Lead Consultant

Action Sustainability  
1<sup>st</sup> Floor, 2 Angel Square  
London, EC1V 1NY  
[www.actionsustainability.com](http://www.actionsustainability.com)  
[bill@actionsustainability.com](mailto:bill@actionsustainability.com)  
t: 07884 191719

4<sup>th</sup> March 2019  
**Final**

## Contents

Executive Summary	ii
Our Recommendations	iv
Glossary	v
1.Introduction	1
2.Evaluation Approach	2
3.Findings & Recommendations	3
3.1. Fundamentals and Policy & Strategy	3
3.2. Enablers	7
3.3. Procurement Process	10
Annexes 1 & 2 (Documents Reviewed & Original Scores)	13

F E M N A L

## Executive Summary

This report summarises the methodology, results and recommendations that Action Sustainability have come to in undertaking a re-evaluation of LUPC's approach to sustainable procurement against the international standard ISO 20400:2017 'Sustainable Procurement – Guidance' following an evaluation undertaken during the summer of 2017. **At the time, to the best of our knowledge, LUPC were the first organisation globally in the education sector to be assessed against the new standard.**

The standard states in its Introduction:

*“Every organization has environmental, social and economic impacts. Procurement is a powerful instrument for organizations wishing to behave in a responsible way and contribute to sustainable development and to the achievement of the United Nations Sustainable Development Goals. By integrating sustainability in procurement policies and practices, including supply chains, organizations can manage risks (including opportunities) for sustainable environmental, social and economic development.”*

In the original report, we stated that LUPC had, *‘clearly and unambiguously adopted ‘responsible procurement’ as its methodology for procuring the goods and services its Members may require’*. We also stated that, *‘LUPC’s culture and approach, not least in relation to social issues and matters around modern slavery and the like, are forward thinking and fully embrace best practice and set a good example for many organisations to emulate and/or adopt’*. **We can re-affirm those same observations.**

The preceding fifteen months or so since the original assessment was undertaken has been a period of upheaval and change for LUPC. There have been organisational changes and work undertaken in connection with a project to work more closely with SUPC (Southern Universities Purchasing Consortium) coupled with several staff changes and changes in roles and responsibilities. **Given the foregoing, LUPC have made commendable efforts to maintain their commitment to sustainable procurement and the implementation of the recommendations contained in our original assessment.**

The **majority of recommendations arising out of the original assessment have been addressed** whilst remaining recommendations are in the process of being actioned. At the time of the re-assessment, out of a total of thirty-eight matters, twenty-five had been addressed whilst the remainder remained work in progress (generally for completion in the first quarter of 2019). **This represents good solid progress.**

There is now a new three-year corporate strategy with an explicit objective to enhance LUPC's position, **‘as a leader in Responsible Procurement’**. This continues LUPC's aim of promoting social value and promoting means of ensuring Members derive best value from LUPC's framework agreements.

LUPC's **Responsible Procurement Policy and Responsible Procurement Strategy 2017-20** sit beneath the new corporate strategy ensuring the continuance of the **‘golden thread’** flowing from and through LUPC's policies and procedures to its category/framework strategies, tender documents and agreements.

The foregoing policy and strategy **will be fully aligned** with the new corporate strategy and any references or the like to the former corporate strategy will be updated as necessary by the end of March 2019.

In terms of organising the procurement function and notwithstanding changes at Director level, **strong leadership continues**, with good governance and excellent engagement with stakeholders, including collaboration with external organisations who support sustainable (responsible) procurement and with whom LUPC have good working relationships.

Outstanding actions and changes still to be enacted over the next few months should further **enhance LUPC’s approach with regard to risk assessment**. Re-defining purchase categories into ‘supply chain types’ will (also) support risk and opportunity assessment. The appointment of **additional staff** will help to strengthen the LUPC team and the adoption of (BT14) methodology to **capture sustainability-based benefits** will aid and assist the **measurement and reporting of positive sustainability outcomes** derived through individual procurements and procurement activities. Development and approval of a new communications strategy in 2019 will underpin all the above and communicate LUPC’s aims and objectives.

**Procurement processes** are being strengthened and it is good to see LUPC’s ‘**Sourcing Procedures**’ being overhauled and, in the draft version, **explicit reference to the adoption of ISO20400:2017’s aims and objectives**, so defining LUPC’s commitment to responsible procurement and sustainability.

The five (5) stages of the procedures mirror the five stages set out in the **Process** section of the standard and, whilst the terminology may differ somewhat, the key activities embodied in ISO 20400:2017 are included. A new set of **contract management procedures**, ‘Supplier and Contract Management Procedures’, will supplement the sourcing guide (Section 9) and *‘raise the importance’* of **supplier relationship management** and help deliver tangible results and added value to LUPC’s agreements.

**LUPC continues to take a leading role in promoting responsible procurement in the public sector. Their aims and objectives set high standards that can provide exemplars to others, particularly in their attitude and approach to addressing the evil of modern slavery and human trafficking.**

The table below shows the overall assessment scores from the evaluation across the main sections of the standard. The scores are marked out of 5, meaning that the assessment score of **4.33** equates to **Level 4** with good progress to Level 5, the highest level. This is the equivalent of a score of 86%.

ISO20400 Evaluation sections	WEIGHT	SELF ASSESSMENT	THIRD PARTY ASSESSMENT
<b>A total</b> Policy and strategy	<b>20%</b>	<b>4.80</b>	<b>4.38</b>
<b>B total</b> Organising the procurement function	<b>20%</b>	<b>4.34</b>	<b>4.11</b>
<b>C total</b> Procurement process	<b>60%</b>	<b>4.61</b>	<b>4.40</b>
<b>TOTAL</b>	<b>100%</b>	<b>4.59</b>	<b>4.33</b>

The following section sets out recommendations arising out of the re-assessment for refining the understanding, behaviours and processes already implemented by LUPC to adopt ISO 20400:2017 across the organisation and with their partners and stakeholders.

## Our Recommendations

### *Fundamentals, Policy and Strategy*

1. Complete the (outstanding) actions relating to Fundamentals, Policy and Strategy as described in the original assessment and identified as either ‘amber’ or ‘red’ in the LUPC Action Plan generated out of the original report (Solutions 8, 9, 10 and 11).
2. Update the Responsible Procurement Policy, Version 1.0, June 2017 and Responsible Procurement Strategy 2017-20 to remove any references to ‘Reaching New Heights’ and to ensure consistency with ‘Adding value through responsible procurement’. This should (also) include Appendices **A, B and C (Sustain Supply Chain Code of Conduct, Special Projects and Responsible Procurement Advisory Group Terms of Reference (Final))** as necessary. Complete Commercial Strategy update.
3. Consistent with the foregoing, complete the overhaul and publication of a new communications strategy (Solutions 10 and 11) and disseminate to LUPC’s Members, stakeholders and the wider community.
4. Ensure all LUPC policy documents and related strategies are now fully aligned to maintain the ‘golden thread’ of responsible (sustainable) procurement is woven through them to deliver a coherent and consistent approach across LUPC. This should include all policies on the LUPC website<sup>1</sup> to ensure maximum transparency and visibility to all interested parties.

### *Enablers*

5. Complete the (outstanding) actions relating to Enablers as described in the original assessment and identified as either ‘amber’ or ‘red’ in the LUPC Action Plan generated out of the original report (Solutions 14, 20, 21, 22 and 23).
6. With the appointment of new/replacement staff, including a new Director, aim to have the optimum organisational structure and governance arrangements in place by the end of March 2019. This may be done in hand with the workstream to increase collaboration with SUPC through the Future Collaboration Project. The structure should fully support the ‘golden thread’.
7. Complete the initiative to enhance measurement and reporting using ‘Sustainability Based Benefits’ and ensure that all (future) frameworks contain appropriate sustainability (SMART) goals and targets. This will support demonstration of ‘best possible value’ to LUPC’s Members.
8. Complete the work undertaken to improve risk assessment utilising ‘*Equiano*’. Factor in proposed changes to the Public Services (Social Value) Act 2012 whereby all major procurements will have to “explicitly evaluate” the wider value added to society by bidders.<sup>2</sup>

### *Procurement Process*

9. Complete the (outstanding) actions relating to Procurement Process as described in the original assessment and identified as either ‘amber’ or ‘red’ in the LUPC Action Plan generated out of the original report (Solutions 26, 32 and 36).

---

<sup>1</sup> Including Anti-Fraud, Employees’ Code of Conduct, Whistleblowing Policy & Procedure and Anti-Slavery.

<sup>2</sup> As announced by David Lidington, Minister for the Cabinet Office and Chancellor of the Duchy of Lancaster in 2018.

10. Consistent with the above, publish the revised Sourcing Procedures and related Contract Management Procedures and embed in the LUPC's future body of corporate policies and procedures.

## Glossary

BMS	Business Management System
GHG	Greenhouse Gas (emissions)
HE	Higher Education
HSEQS	Health, Safety, Environment, Quality & Sustainability
JD	Job Description
JV	Joint Venture
KPI	Key Performance Indicator(s)
LCC	Life Cycle Costing
PDR	Personal Development Review
PMP	Project Management Plan
RP	Responsible Procurement
SBU	Strategic Business Unit
SC	Supply Chain
SP	Sustainable Procurement
SRM	Supplier Relationship Management

# 1. Introduction

ISO 20400:2017 is the international standard for sustainable procurement. It sets out a framework and sound approach to the procurement of goods and services that contribute to sustainable development considering relevant impacts to the environment, society, ethics & economics.

It incorporates ISO 26000:2010, 'Social Responsibility' and its seven 'core' subjects (and 37 sustainability issues) of organisational governance, human rights, labour practices, the environment, fair operating practices, consumer issues and community involvement and development.

The standard builds on British Standard BS 8903:2010, 'Principles and framework for procuring sustainability – Guide' and takes a consistent approach to describing the necessary policies, functions, competencies and processes that an organisation needs to have in place to implement sustainable procurement successfully.

Figure 1 depicts the framework and its four main elements:

- **Fundamentals:** the scope and principles of sustainable procurement and why organisations should undertake sustainable procurement;
- **Policy & Strategy:** how sustainability should be integrated at a strategic level within procurement to ensure intention, direction and priorities are documented and understood by all relevant stakeholders;
- **Organising the Procurement Function (Enablers):** the organisational conditions and management techniques needed to successfully implement sustainable procurement;
- **Procurement Process:** how sustainability considerations should be integrated into existing procurement practices.



Figure 1. The Framework of BS IO 20400: 2017. © Action Sustainability, 2017

This report summarises the findings and recommendations of a re-evaluation undertaken by Action Sustainability on LUPC's procurement against the principles of sustainable procurement contained within the standard following the original Action Sustainability assessment and report<sup>3</sup>.

## 2. Evaluation Approach

Action Sustainability undertook a two-stage process of investigating LUPC's procurement approach during November and December 2018. This was as proposed in Action Sustainability's quotation first submitted in June 2017 and subsequently confirmed in a follow-up letter dated 29<sup>th</sup> November 2017.

Following an initial 'Kick-Off' meeting<sup>4</sup>, the first stage was to assess LUPC documentation, updated and/or revised since the original assessment as necessary, such as policies, strategies, sourcing procedures, meeting minutes, extracts from Personal Development Plans, Terms of Reference, reports and the like. A list of these is provided in Annex 1 and consisted of those submitted on the 26<sup>th</sup> November 2018 together with other materials and evidence subsequently provided by LUPC.<sup>5</sup>

By way of the second stage, we then spent a day at Shropshire House delving further into the actions carried out by LUPC as a result of the original assessment and evaluation, strategy development and changes that have taken place over the last fifteen months or so. We also looked at 'real' examples<sup>6</sup> of procurements demonstrating the consideration and inclusion of sustainability issues in practical terms.

Doing so gave us a wider scope for our re-assessment and added additional depth and context to be useful in the drafting of this report and the findings and observations contained herein.

The staff interviewed were:

- Darran Whatley MCIPS – Senior Contracts Manager
- Don Bowman MCIPS – Director

This assessment was carried out using our own analysis tool, developed in-house by colleagues who were directly involved in the development of the Standard itself. This was used to both evaluate the documents we received and to provide a set of questions (with corresponding practice benchmarks) to inform our assessment based on LUPC's responses. It also provided continuity with the original review.

This tool is based on the framework of the standard and is broken out into its main sections, as depicted above, allowing us to assess performance against discrete sections of the standard.

As we evaluated the documentation and interviewed the LUPC Director and Senior Contracts Manager, we compiled our findings in the tool and gave each section a score out of 5 for performance, or maturity, for that given part. This is consistent with the original assessment and therefore provides a

---

<sup>3</sup> See Action Sustainability LUPC ISO 20400 Report August 2017 Final.

<sup>4</sup> The Kick-Off meeting took place at Shropshire House on Friday, 1st November 2018.

<sup>5</sup> See attachments to email(s) dated 26<sup>th</sup> October 2018; 26<sup>th</sup> November 2018; 11<sup>th</sup>, 18<sup>th</sup> and 19<sup>th</sup> December 2018.

<sup>6</sup> Ceremonial Gowns & Photography Services, Catering Outsourced Services and Debt Recovery.



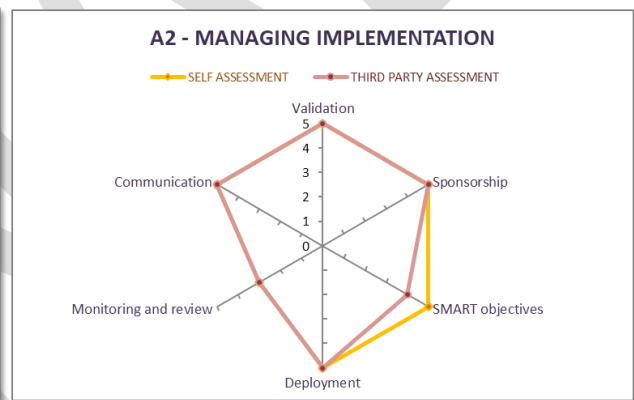
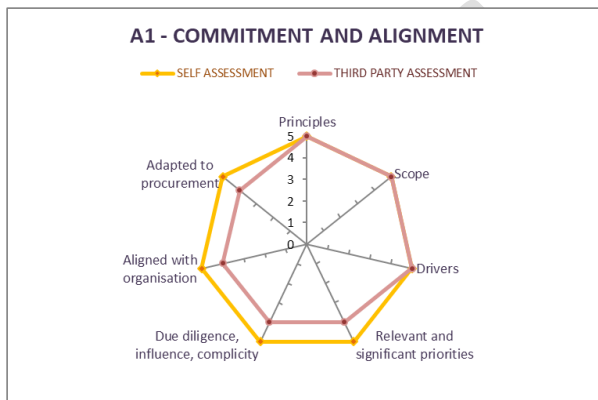
good means of comparison. As this is a summary report, only the summaries of the scores extracted from the tool are included herein. The original assessment scores are given in Annex 2 hereto.

### 3. Findings & Recommendations

#### 3.1. Fundamentals and Policy & Strategy

This section considers the Fundamental principles for sustainable procurement as well as how they are implemented through the organisation’s Policies and Strategies. The survey results are shown below:

ISO20400 Evaluation sub-sections				
A	Policy and strategy	WEIGHT	SELF ASSESSMENT	THIRD PARTY ASSESSMENT
A1 total	Commitment and alignment	50%	5.00	4.30
A2 total	Managing implementation	50%	4.60	4.45



#### Key Findings

London Universities Purchasing Consortium is a ‘non-profit, collaborative procurement organisation owned by its Members, for its Members’.<sup>7</sup> Its ‘sole aim’ is to, ‘secure for its Members the very best possible value from the acquisition of goods and services, without causing harm to others’.<sup>8</sup>

Members of LUPC generally comprise higher educational institutions such as Universities<sup>9</sup> and other public sector organisations plus a wide range of Colleges of Further Education. At the time of the original Action Sustainability assessment, LUPC set out how they would achieve their aims and objectives through their corporate strategy. This was called ‘Reaching New Heights, Our Strategy to 2018’.

This strategy has now been succeeded and replaced with a new one, formally approved in September 2018, covering the period 2018-2021 called, ‘Adding value through responsible procurement’.

This strategy is based around five key objectives, namely:

<sup>7</sup> LUPC Responsible Procurement Policy, Version 1.0, dated June 2017. [Note: To be updated in line with corporate strategy.]

<sup>8</sup> Ibid

<sup>9</sup> Go to: <https://www.lupc.ac.uk/member-list>

- A. **Help Members obtain better value from their membership by supporting their procurement activity;**
- B. **Enhancing LUPC's position as a leader in Responsible Procurement**
- C. **Supporting student employability and apprenticeship delivery**
- D. **Improving our Member engagement activities**
- E. **Work more closely with other UK HE consortia to achieve a more efficient use of People, Resources and Processes across the sector**

As with the previous strategy, **'Adding value through responsible procurement'** clearly sets out LUPC's commitment to *'responsible'* procurement which is at the heart of the organisation, its culture and approach to undertaking procurement. The foregoing five objectives have eight targets (KPIs) against which to be measured, two of which relate to objective 'B' and cover **improving the LUPC supplier due diligence system** and **improving (sustainable) procurement performance**.

Sitting beneath the corporate strategy are two further documents relevant to the delivery of LUPC's corporate objectives, namely the organisation's **'Responsible Procurement Policy'** and **'Responsible Procurement Strategy 2017-20'**. There is good coverage of the **core issues of sustainability**<sup>10</sup> across the three foregoing documents when it comes to governance, human rights (in particular), labour practices (in particular), the environment, fair operating practices and community involvement and development. However, the procurement policy and strategy both require updating in line with the corporate strategy.

There is evidence of **stakeholder engagement** in formulating the organisational strategy and the responsible procurement policy and strategy. Engagement also includes the involvement and engagement of students as well as LUPC's Members and their professional and technical staff. There is very good engagement with the wider higher educational sector and related professional organisations and bodies where collaboration is the essence of such engagement.

Consistent with the original report, there is also good evidence of continuing collaboration and engagement with independent, third party, organisations who monitor and maintain best practice in sustainability issues such as working conditions, labour rights and the like, e.g., **electronics watch**<sup>11</sup>.

The LUPC Responsible Procurement Policy, whilst not yet updated in line with the new corporate strategy as described above, sets out sound reasons for 'being sustainable', i.e. the **drivers for doing sustainable procurement** are clear and underpin the responsible procurement policy and strategy.

LUPC's drivers include securing the **'very best possible value'** for its Members', meeting the requirements of the **UNGP**<sup>12</sup> on business and human rights, embedding RP practice in its processes, engaging in a planned programme of responsible procurement activities, inspiring others in the sector and ensuring that stakeholders can all benefit from the *'impact of this policy'*.

The LUPC *'Responsible Procurement Strategy 2017 – 20'* states that the organisation will, *'Take a risk-based approach to Responsible Procurement in order to make the maximum impact on the supply chain*

---

<sup>10</sup> Organisational governance, human rights, labour practices, the environment, fair operating practices, consumer issues, and community involvement and development.

<sup>11</sup> Go to: <http://electronicswatch.org/en/>

<sup>12</sup> United Nations Guiding Principles (on Business and Human Rights)

with available resources.’<sup>13</sup> **Key risks and opportunities** are therefore potentially identified although more is being done with new tools.

A good example is the development and piloting of ‘**Equiano**’, the supplier engagement tool, to assess potential human rights risks in the supply chain, as described in ‘**Linked**’, the magazine for LUPC Members and Suppliers in the article, ‘**Piloting Equiano**’.<sup>14</sup>

Greater prominence is being given to ‘**due diligence**’ and the new corporate strategy whereby LUPC are aiming to, ‘*increase participation from our suppliers and those across the wider HE sector in the organisation’s supplier due diligence activities*’. This is consistent with the development of ‘**Equiano**’ and, for example, the LUPC factory audit of nitrile gloves in Malaysia, undertaken in October 2018. This is both a timely and proficient example of practical ‘Due Diligence’ to assess potential risks relating to working conditions given the types of issues that can arise with distant overseas suppliers.<sup>15</sup>

LUPC’s commitment to embed, ‘*Responsible Procurement practice into every step of its procurement process*’ and secure supplier’s compliance with the ‘**Sustain Supply Chain Code of Conduct**’<sup>16</sup> covering social, ethical and environmental compliance is significant in avoiding complicity. Adherence to both the Public Contracts Regulations 2015 and The Public Services (Social Value) Act 2012 also support the avoidance of any form of complicity. Complicity would be entirely counter to LUPC’s culture and values.

LUPC has identified and documented clear alignment between its **procurement policy and strategy and its organisational goals**. In its Responsible Procurement Policy, it reiterates the ‘**golden thread**’ that exists and draws the foregoing together<sup>17</sup>. It is clear how procurement contributes to organisational objectives and there is strong sponsorship and endorsement by senior management.

Objectives have been agreed and validated with relevant LUPC stakeholders with a range of ‘Special Projects’<sup>18</sup> designed to further enhance and raise the bar in respect of delivering responsible procurement within LUPC.

In terms of ‘SMART’ goals (see ISO 20400:2017, ‘Managing Implementation’, Section 5.5) the foregoing ‘Special Projects’ have ‘Critical Success Factors’ and completion dates, updated accordingly. There is, however, continuing opportunity to develop and strengthen targets to make them ‘**SMARTer**’.

#### **Based on our Findings, these are our Recommendations:**

1. Complete the actions relating to Fundamentals, Policy and Strategy as described in the original assessment and identified as either ‘amber’ or ‘red’ in the LUPC Action Plan generated out of the original report (Solutions 8, 9, 10 and 11).

---

<sup>13</sup> See LUPC Responsible Procurement Strategy 2017 -20, June 2017, Paragraph 2. C.

<sup>14</sup> See ‘Linked’, Autumn, ‘Piloting Equiano: our human rights risk assessment tool’, Pp 12 – 13.

<sup>15</sup> For a comparison, go to: [https://www.cips.org/en-GB/supply-management/news/2018/december/nhs-gloves-investigated-after-slavery-claims-/?utm\\_source=Adestra&utm\\_medium=email&utm\\_term=&utm\\_content=NHS%20gloves%20investigated%20over%20slavery%20claims&utm\\_campaign=SM%20Daily%2021.12.18](https://www.cips.org/en-GB/supply-management/news/2018/december/nhs-gloves-investigated-after-slavery-claims-/?utm_source=Adestra&utm_medium=email&utm_term=&utm_content=NHS%20gloves%20investigated%20over%20slavery%20claims&utm_campaign=SM%20Daily%2021.12.18)

<sup>16</sup> Go to: <http://www.apuc-scot.ac.uk/docs/SC%20Code%20of%20Conduct%20v1.2%20ITT.pdf> . See also ‘Grievance Mechanism’.

<sup>17</sup> See LUPC Responsible Procurement Policy, Paragraph 4.f. [**Note:** The Responsible Procurement Policy requires updating for consistency.]

<sup>18</sup> See LUPC Responsible Procurement Strategy 2017-20, June 2017, Paragraph 3, ‘Special Projects’.

2. Update the Responsible Procurement Policy, Version 1.0, June 2017 and Responsible Procurement Strategy 2017-20 to remove any references to 'Reaching New Heights' and to ensure consistency with 'Adding value through responsible procurement'. This should also include Appendices **A, B** and **C (Sustain Supply Chain Code of Conduct, Special Projects and Responsible Procurement Advisory Group Terms of Reference (Final))** as necessary. Complete Commercial Strategy update.
3. Consistent with the foregoing, complete the overhaul and publication of a new communications strategy (Solutions 10 and 11) and disseminate to LUPC's Members, stakeholders and the wider community.
4. Ensure all LUPC policy documents and related strategies are now fully aligned to maintain the 'golden thread' of responsible (sustainable) procurement is woven through them to deliver a coherent and consistent approach across LUPC. This should include all policies on the LUPC website<sup>19</sup> to ensure maximum transparency and visibility to all interested parties.

FINAL

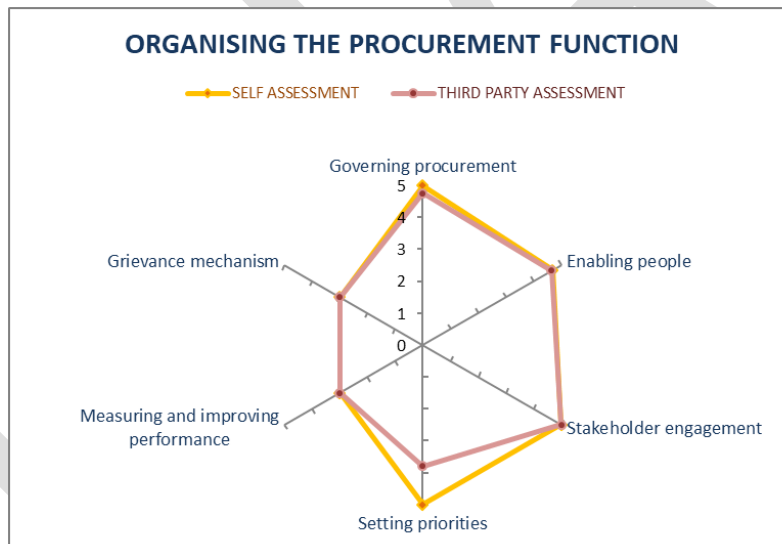
---

<sup>19</sup> Including Anti-Fraud, Employees' Code of Conduct, Whistleblowing Policy & Procedure and Anti-Slavery.

### 3.2. Enablers

This section of the Standard describes the organizational conditions and management techniques needed to successfully implement and continually improve sustainable procurement. The survey results are summarized below:

ISO20400 Evaluation sub-sections				
B	Organising the procurement function	WEIGHT	SELF ASSESSMENT	THIRD PARTY ASSESSMENT
B1 total	Governing procurement	15%	5.00	4.75
B2 total	Enabling people	20%	4.70	4.65
B3 total	Stakeholder engagement	20%	5.00	5.00
B4 total	Setting priorities	15%	5.00	3.80
B5 total	Measuring and improving performance	20%	3.00	3.00
B6 total	Grievance mechanism	10%	3.00	3.00



#### Key Findings:

This section of the standard relates to **‘Organising the procurement function towards sustainability’** or **‘Enablers’**. By definition, the provision of systematic processes and procedures which facilitate and support the delivery of sustainable procurement – or responsible procurement using LUPC language.

The six (6) areas that the standard includes cover **governance; enabling people through training, skills and development; identifying and engaging stakeholders; setting procurement priorities; measuring and improving performance and establishing a grievance mechanism.**

**Governance** is an essential part of the structure and approach of LUPC and its ways of working. Section 5 of the LUPC Responsible Procurement Policy describes Governance within the organisation, the

**Responsible Procurement Advisory Group**<sup>20</sup>, **Executive Committee** and company **Board of Directors**. An important aspect is the involvement of Members and their active interest in and engagement with LUPC in ensuring good governance and the development of initiatives promoting sustainable (responsible) procurement in LUPC and across the higher education sector through national measures and dialogue.<sup>21</sup> The compactness of LUPC also lends itself to ensuring good governance across its activities and work.

**Enabling People** is a 'key' aspect of LUPC's approach and integral to its operations and success. This occurs through the right culture supportive of sustainable procurement, the development of staff and the measurement of their performance, learning through collaboration to develop best practice and the provision of tools and systems to achieve specified objectives and targets. LUPC scores well in these areas, not least in terms of the right organisational culture and collaboration with other organisations. In the latter case, this may be through **HEPA**<sup>22</sup>, **APUC**<sup>23</sup>, **CIPS** and the **University of Greenwich** and **LGA**. There are good tools and guidelines to enable the actual implementation of sustainable procurement.

**Stakeholder Engagement** is good and links in with '**Enabling People**' above, particularly in the area of collaboration and working with others in the sector. This is especially evident when it comes to modern slavery and human rights where LUPC engages with third party organisations like **ETI** and **Electronics Watch**. Good engagement, not least with an organisation's supply chain, is an ideal way to identify potential risks (and opportunities) and thus a means of addressing them. Working with Members and their suppliers to pilot and test '**Equiano**', LUPC's human rights risk assessment tool is a good case study.

**Setting Priorities** is an important area of focus for LUPC, not least being a small organisation but with a pivotal procurement role in the HE sector and the procurement of goods and services for its Members. This part of the standard hones-in on risk identification and management. There is an inherent, almost overarching, priority that permeates LUPC in recognizing and addressing potential modern slavery which also ties-in with the application of **Due Diligence** referred to above. This is reflected in the new corporate strategy. However, that is not to say that other potential risks do not exist which should be given adequate consideration<sup>24</sup> and that maintaining an updated spend profile is important.

**Measuring and Improving Performance** is arguably still a developing area within LUPC. The use of key performance indicators is incorporated in appropriate cases and individual procurements and so too, in the broader organisational development via the organisation's '**Special Projects**' and reference in the new corporate strategy to ensure, '*that Responsible Procurement KPIs are utilised in the contract management of all our agreements*'. Initiatives like the development of '**sustainability-based benefits**' in framework agreements and contracts will bolster this area. Peer benchmarking can be undertaken and this (re)assessment of LUPC's procurement function can be argued to be a benchmarking exercise.

**Establishing a Grievance Mechanism** is not yet an established fact in LUPC and (still) open to development and implementation. However, engagement with **Electronics Watch** does afford a potential alternative to at least identify and address malpractice in the (international) electronics industry through their independent monitoring of workers' rights on behalf of public procurers. LUPC does have its own 'Whistleblowing' Policy and Procedure for employees.

---

<sup>20</sup> The Responsible Procurement Advisory Group Terms of Reference (Final) forms Appendix C to the Responsible Procurement Policy.

<sup>21</sup> Go to: <https://www.lupc.ac.uk/governance>

<sup>22</sup> The Higher Education Procurement Association. Go to: <https://www.hepa.ac.uk/>

<sup>23</sup> Advanced Procurement for Universities and Colleges. Go to: <http://apuc-scot.ac.uk/>

<sup>24</sup> Risk assessment may be carried out using 'SPRAT', 'Sustainable Procurement Risk Assessment Tool'.

Potential revisions to the **Sustain Supply Chain Code of Conduct** (see also Recommendation 2) could help by setting out a requirement that suppliers shall ensure their employees have access to an appropriate grievance mechanism and cascade that same requirement through their own supply chain(s). This could be explored further with APUC.

**Based on our Findings, these are our Recommendations:**

5. Complete the (outstanding) actions relating to Enablers as described in the original assessment and identified as either 'amber' or 'red' in the LUPC Action Plan generated out of the original report (Solutions 14, 20, 21, 22 and 23).
6. With the appointment of new/replacement staff, including a new Director, aim to have the optimum organisational structure and governance arrangements in place by the end of March 2019. This may be done in hand with the workstream to increase collaboration with SUPC through the Future Collaboration Project. The structure should fully support the 'golden thread'.
7. Complete the initiative to enhance measurement and reporting using 'Sustainability Based Benefits' and ensure that all (future) frameworks contain appropriate sustainability (SMART) goals and targets. This will support demonstration of 'best possible value' to LUPC's Members.
8. Complete the work undertaken to improve risk assessment utilising 'Equiano'. Factor in proposed changes to the Public Services (Social Value) Act 2012 whereby all major procurements will have to "explicitly evaluate" the wider value added to society by bidders.<sup>25</sup>

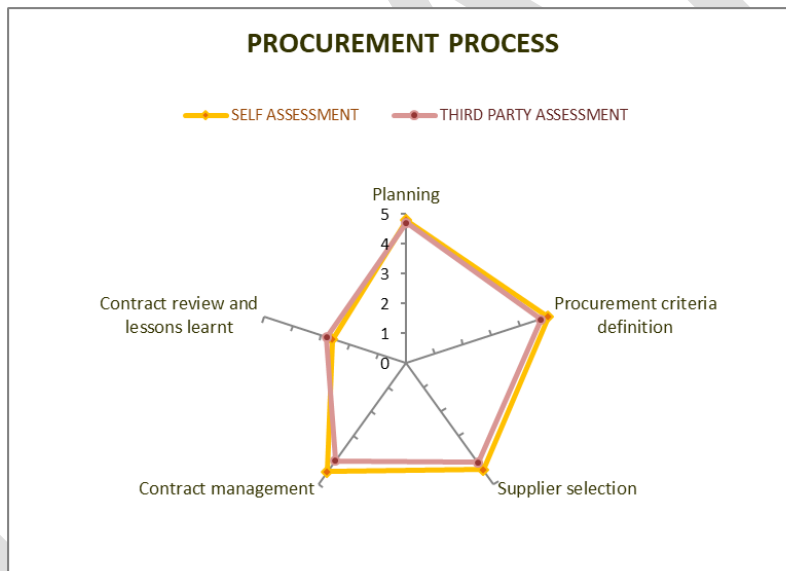
---

<sup>25</sup> As announced by David Lidington, Minister for the Cabinet Office and Chancellor of the Duchy of Lancaster in 2018.

### 3.3 Procurement Process

This section of the standard describes how sustainability considerations should be integrated into existing procurement processes and documentation. The survey results are summarized below:

ISO20400 Evaluation sub-sections				
C	Procurement process	WEIGHT	SELF ASSESSMENT	THIRD PARTY ASSESSMENT
C1 total	Planning	40%	4.80	4.70
C2 total	Procurement criteria definition	20%	5.00	4.75
C3 total	Supplier selection	15%	4.40	4.10
C4 total	Contract management	20%	4.50	4.05
C5 total	Contract review and lessons learnt	5%	2.60	2.80



#### Key Findings

The standard has identified five (5) steps of **planning, integrating sustainability requirements into the specifications, selecting suppliers, contract management and reviewing & learning from the contract.**

The foregoing are comprehensively covered in the (draft) **LUPC Sourcing Procedures** under the sectional headings of Research Stage, Tendering Stage, Evaluation Stage, Award and Implementation Stage, Launch of the Agreement (Stages 4, 5, 6, 7 and 8 respectively). Contract management is described in detail in a separate (draft) document, **'Supplier and Contractor Management Procedures'**. In its Introduction, the sourcing procedures refer to undertaking procurement in line with ISO 20400:2017.

**Planning**, the first step, includes the elements of assessing sustainability risks (including opportunities), analysing the costs (using whole life costing principles), analysing organisational needs (to optimise demand) and analysing the market to be able to integrate sustainability into the sourcing strategy.



LUPC undertake a thorough approach to planning and incorporate the foregoing steps in individual **Commodity Strategies** as has been demonstrated in the evidence submitted.<sup>26</sup>

Example strategies provided as evidence before the assessment or on the day include issues such as need and functional requirements, scope, spend (historical/potential), market analysis, sustainability issues and benefits. The commodity strategies are comprehensive pieces of work and reflect the expectations of ISO 20400. Modest changes could align their contents even further with the standard.

**Integrating sustainability requirements into the specifications**, the second step described by the standard, should be done *'in coordination with key internal stakeholders'*<sup>27</sup> and address sustainable procurement criteria, choosing the types of requirements, minimal and optional performance, relevant standards and means of evaluating that sustainability requirements are met. As above, the commodity strategies address these issues and in terms of sustainability (or CSR) consider social, environmental and economic issues. These vary with the procurement but modern slavery receives thorough consideration. Given that Members are the end users of contracts awarded, there is very good engagement with them.

**Selecting suppliers**, the third step set out in the standard, relates to awarding the contract to a supplier or suppliers and includes the assessment of suppliers, prequalification, managing tenders and awarding the contract. LUPC are required to consider the economic, environmental and social benefits of the procurement as required by The Public Services (Social Value) Act 2012 and comply with The Public Contracts Regulations 2015. The foregoing issues are identified in the commodity strategies which set out the proposed approaches and the steps to be taken to ensure a compliant process.

Practical issues included in the commodity strategies may be, but are not necessarily limited to, market capabilities & capacity, risk analysis & mitigation strategy, means of identifying potential tenderers, prequalification, approvals/sign-off points, tendering procedures (e.g., open, restricted or other), the Invitation To Tender, evaluation weightings & scoring (including for issues relating to sustainability), performance measurement, contract award, monitoring and management. This demonstrates a thorough approach to the practicalities of the procurement process and ties in closely with the ISO.

**Managing the contract** is the fourth and subsequent step in the process set out by the standard. It naturally follows the placement of the contract (or framework agreement once in use). It is also the area where LUPC may have least direct input, control or influence as it will be LUPC's Members who utilise the contract or agreement. Means of managing the contract are described in detail in LUPC's (draft) **'Supplier and Contract Management Procedures'** and are factored into the commodity strategies.

Members of LUPC can and do provide feedback relating to suppliers' performance and meeting KPIs.

LUPC may also use 'eSolutions' such as 'Hunter'<sup>28</sup> to monitor performance and suppliers should be complying with the **'Sustain' Supply Chain Code of Conduct** which relates to **Social Compliance** and suppliers' adherence *'with the principles of the Sustain Supply Chain Code of Conduct'*. Practical means of contract management may relate to review meetings taking place on a regular basis.

---

<sup>26</sup> See, for example, Commodity Strategies for Broadcast Equipment & Installation Services and Life Science Equipment.

<sup>27</sup> See ISO 20400:2017, Section 7.3.1, 'Defining sustainable procurement criteria', Pp 29 & 30.

<sup>28</sup> Go to: <http://www.apuc-scot.ac.uk/#!/esolutions>

**Reviewing and learning from the contract** is the fifth and final step described in the standard. As LUPC are awarding framework agreements with a potential life-span of several years, reviewing and learning, whilst important, is somewhat more problematic as any learning captured during the tendering process may not need to be (re)applied for some time, by when its usefulness may be limited.

However, carrying out post award reviews and/or a 'Regulation 84'<sup>29</sup> report enables wider lessons of principle to be learnt and applied in the broader context and '*regular reviews of the contract throughout its duration*' are always to be encouraged and undertaken. It is 'best practice'<sup>30</sup> to share lessons learned and LUPC's commitment to transparency, particularly in the area of modern slavery and human trafficking, should fully support this important practice.

**Based on our Findings, these are our Recommendations:**

9. Complete the (outstanding) actions relating to Procurement Process as described in the original assessment and identified as either 'amber' or 'red' in the LUPC Action Plan generated out of the original report (Solutions 26, 32 and 36).
10. Consistent with the above, publish the revised Sourcing Procedures and related Contract Management Procedures and embed in the LUPC's future body of corporate policies and procedures.

---

<sup>29</sup> Regulation 84(1) of the Public Contracts Regulations 2015.

<sup>30</sup> See ISO 20400:2017, Section 7.6, 'Reviewing and learning from the contract', Pp 39 & 40.

## 4. Annex 1 – Documents Reviewed

Key documents **highlighted in bold**.

**LUPC Strategy 2018 – 2019, ‘Adding value through responsible procurement’.**

**Responsible Procurement Policy, Version 1.0, June 2017.**

**Responsible Procurement Strategy 2017-20, June 2017.**

**Sourcing Procedures – Draft (As below).**

**Supplier and Contract Management Procedures – Draft (As below).**

**LUPC Self-Assessment** )

**August 2017 Recommendations Updated\*** ) Received as attachments to LUPC email

**Equiano Report** ) dated 11<sup>th</sup> December 2018.

**EW Update** )

Documents as listed below. (Included in Zip folder attached to LUPC email dated 26<sup>th</sup> November 2018)

BT 14 Guidance v1

FCP Phase 2 Briefing Paper V4

RD 3.1 LUPC Membership Survey 2018

RD 3.2 Individual Responses

RD 6.1 NWUPC Contract Strategy v6 – Broadcast

**RD 6.2 Sourcing Procedures – Draft (See above)**

**RD 6.3 Supplier and Contract Management Procedures – Draft (See above)**

RD 9 Life Science Equipment version 3

RD 12.1 HEPA RPG Terms of Reference

RD 12.2 HEPA RPG 180718

RD 12.3 HEPA RPG 181018

RD 12.4 ETI Public Sector Working Group 171018 Meeting

RD 13 Extract from DW Appraisal

RD 15.1 Sustain Equiano Development Meeting Agenda

RD 15.2 Framework Agreement Supply Chain Categorisation

RD 28 Lab Consumables and General Chemicals Labour Standards

RD 29 Draft User Guide Vol 2 November

RD 30 HEPA Conference 2018 Programme

Contract List (Received as attachment to LUPC email dated 18<sup>th</sup> December 2018)

Organisational Charts LUPC (Received as attachment to LUPC email dated 19<sup>th</sup> December 2018)

\* Updated 11<sup>th</sup> December 2018 (from 26<sup>th</sup> November 2018).

## Annex 2 – Original Assessment Scores

### Summary

ISO20400 Evaluation sections	WEIGHT	SELF ASSESSMENT	THIRD PARTY ASSESSMENT
A total Policy and strategy	20%	4.15	4.13
B total Organising the procurement function	20%	3.12	3.25
C total Procurement process	60%	4.33	3.72
<b>TOTAL</b>	<b>100%</b>	<b>4.05</b>	<b>3.71</b>

### Fundamentals

ISO20400 Evaluation sub-sections			
A Policy and strategy	WEIGHT	SELF ASSESSMENT	THIRD PARTY ASSESSMENT
A1 total Commitment and alignment	50%	3.90	4.05
A2 total Managing implementation	50%	4.40	4.20

### Enablers

ISO20400 Evaluation sub-sections			
B Organising the procurement function	WEIGHT	SELF ASSESSMENT	THIRD PARTY ASSESSMENT
B1 total Governing procurement	15%	3.50	4.00
B2 total Enabling people	20%	4.70	4.25
B3 total Stakeholder engagement	20%	5.00	4.67
B4 total Setting priorities	15%	1.80	2.20
B5 total Measuring and improving performance	20%	1.40	2.20
B6 total Grievance mechanism	10%	1.00	1.00

### Procurement Process

ISO20400 Evaluation sub-sections			
C Procurement process	WEIGHT	SELF ASSESSMENT	THIRD PARTY ASSESSMENT
C1 total Planning	40%	4.80	3.90
C2 total Procurement criteria definition	20%	4.50	3.75
C3 total Supplier selection	15%	4.40	4.05
C4 total Contract management	20%	3.60	3.30
C5 total Contract review and lessons learnt	5%	2.60	2.80