

BS 8903:2010 SUSTAINABILITY PROCUREMENT
BRIAN FARRINGTON LTD METRICS OF EXCELLENCE
TO POSITION THE LEVEL OF MATURITY IN CURRENT PRACTICE

White Paper 2013

Brian Farrington Ltd



BS 8903:2010 Sustainable Procurement

Brian Farrington Ltd Metrics of Excellence to position the level of maturity of current practice

Introduction

Sustainability is high on the corporate business agenda, presenting a significant opportunity for the procurement specialist to implement a procurement sustainability strategy. The stimulator can be British Standard 8903 – 2010. This is a GUIDE dealing with the principles and framework for procuring sustainability, The British Standards Institute refer to BS 8903 as a daughter standard of BS 8900.

Brian Farrington Limited are procurement specialists who have devised a set of Metrics to evaluate current procurement actions against criteria determined by BS8903 and, equally importantly, facets of procurement performance omitted from BS 8903. It is already evident that the robustness of procuring sustainability will become a PASS/FAIL facet of public and private sector pre- qualification processes. The traditional Tick Box approach is being replaced by more probing and qualitative judgements. The bland “Do you have a sustainable procurement strategy?” with a tick box Yes/No will in future require evidence that such a strategy is aligned to an organisational strategy- always assuming that there is the latter!

The penetrative requirement for demonstrable method statements showing how procurement have applied a strategy into the supply chain will currently challenge many procurement departments. We have encountered the view that there is a conflict between procuring sustainability and making savings. This is flawed logic. Through life costs should be a focus for procuring I.T. for example. The refreshment strategy and end of life disposal are material considerations, often ignored at the tender evaluation phase of procurement.

A credible health check on how sustainable procurement is embedded into current practices would be a useful approach to gauge a ‘heatmap’ to guide focus on the next phase of an organisation’s development in sustainable procurement. One area we support organisations is by reviewing and enhancing the strategy and practice with regard to sustainable procurement via our BS8903:2010 metrics of excellence. This will position the level of maturity in current practice and provide a route map to future enhancement.

BS8903:2010 has been introduced to set out the ‘Principles and framework for procuring sustainability – Guide.’ According to the British Standard it aims to provide guidance to a broad range of organisations, of different sizes and with various levels of experience of sustainable procurement. BS8903 is a daughter standard of BS8900 which defines sustainable development as: *an enduring balanced approach to economic activity, environmental responsibility and social progress.*

Most organisations are agreed that sustainability procurement should be on the agenda but are unclear how to evaluate current practice and to formulate a cohesive strategy and operational practices to ensure the highest standards of practice prevail.



A proven solution

BFL has a proven solution for consideration. It is founded on our Metrics of Excellence that evaluate your current performance, identify the gaps in satisfying BS8903 standards, and designing a strategy to meet your needs. The methodology defined below is proven and has recently been successfully implemented in Interserve PLC, a FTSE250 international construction and FM services organisation. A testimonial from Interserve is provided below:

Brian Farrington Ltd was retained by Interserve PLC to undertake a sustainable procurement review of our central procurement operations alignments with the aspirations of the business, from a Corporate perspective. Brian Farrington Ltd consultants used their proprietary metrics of analysis addressing each and every aspect of BS8903:2010 to identify, systematically, our current practices and proposed where we should focus enhancing our policies, practices and processes. A key part of their input was a briefing session to the whole of the central procurement team, a number with limited experience of sustainable procurement challenges and opportunities, which was key in raising awareness and credibility of this Corporate-visible matter.

Key attributes: pragmatic, business approach to sustainability; deep-procurement knowledge; credible consultancy engagement skills and methodology

Brian Farrington Ltd were employed to undertake this piece of work as they understand the fundamentals of procurement and could realise our desire to integrate sustainable procurement into our everyday procurement activities without treating it as a separate activity. Therefore embedding Sustainability into our core team.

Interserve Procurement and Supply Chain Sustainability Manager

The scope of the Metrics of Excellence

The scope of the Metrics of Excellence is, in part, determined by the content of BS8903. There are, in the opinion of BFL some critical areas of sustainability procurement that are omitted from the British Standard, noting it is Guidance not a Formal Standard. The scope of our Metrics includes:

- Procurement policy formulation and implementation
- Procurement strategy formulation and implementation
- Challenge of business requirements
- Risk assessment
- Procurement options
- Life cycle assessment
- Carbon measurement
- Specification challenge and quality
- Tender evaluation modelling
- Contract management
- Continuous improvement
- Governance arrangements



The origins of the Metrics of Excellence

BFL has been engaged in many facets of sustainability procurement since 1978. During that time we have been convinced that there is a significant opportunity for procurement to be involved at the earliest phase of a procurement process to influence long-term sustainability success. The challenges and contrasts of different sectors provide compelling evidence. Property management is a prime example where early decisions on specifications for heating and space utilisation will impact on long-term costs. ICT is a classic area where long-term sustainability remains an issue. It is a fact that servers are a prime use of energy across the European Union and refreshment strategies and ICT disposal can have serious consequences for the environment. It would not be difficult to isolate other sector examples including catering, clothing manufacture, use of utilities, choice of travel mode, disposal of waste to landfill and many others, highlights the future opportunity to engender a genuine sustainable approach in procurement.

An integrated solution to evaluate performance against BS8903 and positively drive matters forward

Phase 1. Initial briefing

We would receive a briefing on your approach to sustainable procurement. This will include consideration of:

- Your forward business plan impact on procurement category management
- Current procurement strategies and policies
- Expenditure profile by category
- Risk management strategies
- Actions at pre-qualification
- Actions at the tendering phase of procurement
- Achievements and objectives set by KPIs

When we make this visit it is essential to meet your nominated point of contact for this work, ensuring that there is a meeting of the minds regarding the outputs we are required to deliver.

Phase 2. Undertake metrics health check

We will engage with key personnel from your procurement team and in related roles to apply our Metrics of Excellence. Engagement, ideally would be face-to-face but can be managed remotely should there be wider geographical or economic matters to consider. Our consultants lead the evaluation, on your premises, seeking supporting documentary evidence for conclusions reached. The Metrics consist of descriptors for each Metric against which your current practices will be evaluated against:

- Unaware
- Traditional
- Competent
- Approaching Cutting Edge, and
- World Class.

The descriptor for 'World Class' against Identification of Need (BS8903 reference 6.2.1) reads *'There is EBI (Early Buyer Involvement) when potential needs are being identified. Procurement makes a*



significant contribution advising on supply market capabilities including sustainability initiatives. Our buyers have excellent technical knowledge of their category management accountabilities.'

The output of our joint assessment is the material to use for a detailed report setting out the actions needed to fulfil the requirements of BS8903.

Phase 3 Prepare and submit a Report

This work will be completed, off-site, at our offices in St Helens. The prime facets of work will be:

- a) review the sustainable procurement work you undertake by sampling documentation and policies.
- b) review the professional content and relevance of interfacing internal policies, instructions, office notes and intranet guidance's.
- c) Determine the structure and content of the Report, including a heatmap and focus of next steps.
- d) Draft the Report.
- e) Submit Report for comment.

Phase 4. Consultation on the draft report.

Having submitted the 1st draft it will be forwarded by email to your nominated contact. No doubt a range of stakeholders will be invited to provide their professional view. We should aim to complete your review and response ideally within 15 working days. You may consider that your email comments would preclude the need for a meeting at your offices.

When the feedback is received we would revise the text to a 2nd and final draft and forward it by email to your nominated contact. If further revisions are required, this would be charged on a time basis.

Phase 5. Presentation of report, findings and recommendations

Following receipt of the final draft of the Report we would welcome the opportunity to attend a presentation of the findings and recommendations with your key staff. The timing of the presentation would be mutually agreed

Actions post-risk 'health check'.

It is highly probable that regardless of the procurement activities evaluated for the alignment with sustainability aspirations, some facets will be identified where an enhanced approach to sustainable procurement is required. It may be noted that, not infrequently, sustainable procurement 'issues' will emerge that must feed into the CSR/Corporate Sustainability Strategy and these may impact on marketing and regulatory issues.



When sustainable procurement issues are identified for which there is no mitigation strategy, Your first option is to create the policy or strategy using their own resources and expertise. An alternative is to retain BFL to work with your team to create the relevant strategy or strategies.

Learning and development

We recommend a structured learning and development event(s) for procurement and stakeholders to ensure that all future sustainability procurement actions are well thought through and have the buy in of everyone. It is our experience that high-impact training presenters are vital to facilitate events to ensure success of the whole programme. It is possible that policies and strategies will have to be developed after Phase 5 is completed, in which case engagement with your senior managers and the sustainability champion(s) will be an essential requirement to future success. There are often benefits from providing 'briefing events' for your strategic supply chain partners to capture their ideas and obtain their commitment to future sustainability initiatives.

Why bother?

This is the most frequently asked question. The first objection against sustainability procurement advanced by many is that it will increase costs. This is a flawed assumption and flies in the face of proven facts. The waste of energy is legend around the world. It is a fact that procurement strategies and policies may require a dramatic rethink in some organisations. Through life cost assessment is a skilled task requiring inputs from technical specialists when specifications are being developed. Their co-operation with procurement specialists in designing life-cycle cost models to facilitate accurate comparisons between technical solutions is the key to proving that cost will not be increased by addressing the triple-bottom line of sustainable procurement; social, environmental and financial.

Conclusion

A searching scrutiny of your current performance is a low risk activity. We predict that in the near future many public and private sector tenders will demand evidence that BS8903 has been implemented. The ability to convince future clients that you have done so will be a business differentiator. It will also go to the heart of your corporate reputation.

Contact

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Why people with sustainable procurement issues want to work with the people at Brian Farrington.

There are **three themes** that clients tell us over and over again.

First, they tell us they believe they are making a smarter investment working with Brian Farrington — bringing a thorough understanding of their sustainable procurement issues and a proven track record of enabling excellent returns on their investment.

Second, our clients are confident that they are working with 'straight-talkers' that bring experience, expertise and stay focused on client success; not on our next income target (no army of junior consultants that we need to 'utilize').

Finally, people - people, just like you - tell us they actually like working with us. They find us easy to work with and collaborative in solving issues that inevitably arise in sustainable procurement.

About Brian Farrington Ltd

Brian Farrington Ltd is one of the world's longest established procurement and supply chain consultancy and executive training specialists. 33 of the current FTSE100 have retained our services, as well as leading organisations in the UK, North America, southern Africa and Asia.

Established in 1978, we have proven expertise and experience in strategic procurement, sustainability and risk management.

Brian Farrington Ltd solutions and services are formed through consultancy, training & development, coaching, interim resource and recruitment.

Our four core areas of strategic procurement, sustainability and risk management capability are:

- Strategic review and commercial governance
- Performance delivery and transition
- Major project support including managing contractual risk
- Learning & development in support of organisational aims.

For more information visit us at www.brianfarrington.com