

Impact Analysis - Guidance

1. What is the purpose of this guidance note?

This guidance has been developed to support the integration of sustainability considerations within the procurement process. By sustainability considerations we mean the environmental, social and economic impacts, both positive and negative, related to the products and services purchased by your university.

The guidance introduces a sustainability impact analysis process which asks 'How can I assess whether procurement sustainability commitments are appropriate?'

2. Background

Sustainability has become increasingly important for UK universities and associated strategic commitments are now common. This has focused attention on the procurement function to increase commitment to embedding environmental, social and economic considerations within the procurement process. Importantly, emerging social considerations such as the Modern Slavery Act have also highlighted the risks within university supply chains if a pro-active response is not taken.

This simple assessment is able to do this, and is replicable, simple to communicate and is useful at the different stages in the procurement process.

Procurement professionals, sustainability professionals, internal buyers, specifiers and contract managers benefit from a shared understanding of sustainability and a consistent methodology for addressing sustainability within the procurement process.

3. What exactly is a sustainability impact analysis?

A sustainability impact analysis is the starting point for understanding sustainability in a purchase decision. It can become part of procurement process and practice. It is a simple three step process.

4. STEPS to impact analysis

STEP 1: Describe the product, service or project you are procuring

(The purpose of this is to be sure you fully understand exactly what you are buying.)

Example: If we are buying a removals and storage contract. You could describe it as: 'a contract that simplifies the removals and storage process whilst reducing employee stress and disturbance'

Or a more complete (and therefore more useful for the purpose of undertaking a sustainability impact) description might be: 'People drive to our university, pack, lift manually or using equipment our belongings and then transport them to another venue, drop them off and dispose of any waste. They may store our belongings for a while in a facility they manage. They are likely to also run an office and a fleet of vehicles to enable them to deliver the contract'

The reason for adding more to the description of the contract is to help us get to the heart of the impacts associated with the activity it relates to.

Prompts:

- Is it a goods or service?
- Does it involve transport?
- Does it involve use of equipment?
- What packaging/storage will be used?
- Is it manufactured?
- What staff are involved in this purchase?
- Where are resources sources from?

STEP 2: Undertake the sustainability impact analysis

Systematically identify as many of the environmental, social and economic impacts as possible that are associated with the subject matter of the contract. We are going to consider both positive and negative (as described in Step 1) impacts.

Key things to remember when doing an impact assessment:

- What we are looking for are actual impacts, both positive and negative
- Ignore the temptation to say 'if we asked for this or did this it would be positive'
- Ignore the temptation to include the reduction of negative impacts as positives.
- Work through the grid systematically (we always start with the environmental negatives – just because it is easier)
- Inherent positive environmental impacts are almost non-existent when performing an initial assessment; it is tempting to include elements that are actually a reduction of a negative impact rather than inherently positive. However these will appear as opportunities as part of Step 3.
- The sustainability impact analysis is best carried out in partnership between sustainability professionals, internal buyers and specifiers at the start of the procurement process.

	Negative	Positive
Environmental		
Social		
Economic		

STEP 3: Identifying opportunities

When you have completed the impact analysis the following questions need to be asked; where in the procurement process is the best place to:

- Reduce any negative impacts?
- Maximise any positive impacts?
- Take any opportunities that exist to turn negatives into positives?

Identifying Opportunities (to reduce the negative and enhance the positive)	
Environmental	Add opportunities here
Social	Add opportunities here
Economic	Add opportunities here

These opportunities can be used to:

- Include in specification
- Include as a KPI
- Discuss as part of Contract Management
- Include as a specific contract term
- Include as a selection/evaluation criteria

What are the benefits of this simple approach?

- It allows you to identify the environmental, social and economic impacts and opportunities associated with a particular purchase
- If carried out at the start of the procurement process it will inform the product or service specification
- If carried out mid-contract it will inform contract management discussions on sustainability

- It will provide you with the confidence and evidence that you have systematically considered sustainability issues of any given product or service within the procurement process

