**Procedure; PROC-014E**

**Activity; Sustainability Impact Analysis - Guidance**

**Created; 1st August 2016**

## What exactly is a sustainability impact analysis?

A sustainability impact analysis is the starting point for turning a way of understanding sustainability into something that can become part of procurement process and practice. If it is completed at the start of the procurement process it will help integrate sustainability into the specification, invitation to tender and then be picked up as part of contract management.

**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

**It is a simple three step process**

**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.

## Step 2 Undertake the sustainability impact analysis

During this step we are going to 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.

|  |  |  |
| --- | --- | --- |
|  | **Negative** | **Positive** |
| **Environmental** |  |  |
| **Social** |  |  |
| **Economic** |  |  |

## 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 and 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.
* You might also consider which impact analysis you undertake first. Why not go for the high priority areas, or amalgamated categories where there are similar impacts.

When doing this type of analysis some institutions are tempted to ignore the identification of negative impacts as part of the process, assuming they can be avoided, and are keen to jump straight to identification of opportunities. Whilst this may appear valid it could lead to the following:

* + - No clear record of actual negative impacts of the product or service to be included within the procurement documentation and process
		- Failure to explore fully the full range of potential opportunities, which could lead to focus on a specific solution too early in the process

Excellent procurement requires a mature response to sustainability, which starts with an acceptance that what we buy does have a negative impact, this makes for a much more honest and constructive dialogue with internal customers and suppliers

## 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** |

You will see that in the documents we have created we have detailed a range of opportunities to address the impacts that have been identified relating to the commodity we have analysed.

These may not be exhaustive but can stimulate more discussion about other possibilities.

At this stage you will be thinking about where in the procurement process you might best be able to deal with the issues identified. For example:

* + - Opportunity 1 (Include in specification)
		- Opportunity 2 (Include as a KPI)
		- Opportunity 3 (Discuss as part of Contract Management)
		- Opportunity 4 (Include as a specific contract term)
		- Opportunity 5 (Include as a selection/evaluation criteria)

## Process Summary

STEP 1: Describe the subject matter of the contract in a way that helps identify associated impacts

STEP 3: Implement opportunities to reduce negatives impacts and enhance positive impacts and where to address them in the procurement process!

STEP 2: Identify actual environmental, social and economic impacts both positive and negative