

OP 9: Sustainable Procurement System

Rationale

This credit recognizes institutions that have established robust sustainable procurement systems. A sustainable procurement system enables an institution to take responsibility for the environmental, social, and economic consequences of its purchased goods and services.

Applicability

Applicable to all institutions.

Points available

A maximum of 7 points are available for this credit.

Criteria

9.1 Supplier code of conduct

An institution earns 1 point when it has a published **supplier code of conduct** that includes one or more expectations that exceed or are additional to minimum regulatory compliance in regard to A) environmental impact, B) treatment of workers, C) governance and ethical business practices, D) advancement of sustainability in the supply chain, and E) monitoring and review. Partial points are available and earned as outlined in Table I.

Table I. Points earned for indicator 9.1

Category	Points available	Points earned
A. Environmental impact	0.2	
B. Treatment of workers	0.2	
C. Governance and ethical business practices	0.2	
D. Advancement of sustainability in the supply chain	0.2	

E. Monitoring and review	0.2	
Total points earned →		

Measurement

Report on the current status of the institution’s written policies and/or guidance for suppliers. Policies and guidance adopted by entities of which the institution is part (e.g., government or the university system) may count for this credit as long as they apply to and are implemented by the institution.

Documentation

Report the following information in the online Reporting Tool:

- Does the institution have a published code of conduct to guide suppliers on the institution’s social and environmental expectations for them? (required). Expectations may include, for example, a general commitment to help the institution advance its sustainability goals and/or compliance with existing social and environmental regulatory requirements or policies.

If Yes, a copy of the code of conduct and/or the website URL where it is available and all five of the questions that follow are also required:

- Copy of the institution’s supplier code of conduct. Upload.
- Online location of the institution’s supplier code of conduct. Website URL.
- Does the institution’s supplier code of conduct include one or more expectations in regard to environmental impact that exceed or are additional to regulatory compliance? For example, criteria on waste, emissions, biodiversity impacts, water use, and energy use that are above and beyond existing local or national regulations.
- Does the institution’s supplier code of conduct include one or more expectations in regard to the treatment of workers that exceed or are additional to regulatory compliance? For example, human rights, anti-discrimination practices, health and safety standards, labor rights, and minimum wages that are above and beyond existing local or national regulations.
- Does the institution’s supplier code of conduct include one or more expectations in regard to governance and ethical business practices that exceed or are additional to regulatory compliance? For example, anti-corruption measures, fair business practices, and sustainability reporting standards that are above and beyond existing local or national regulations.
- Does the institution’s supplier code of conduct include one or more expectations in regard to the advancement of sustainability in the supply chain? For example, expectations that suppliers extend the sustainability provisions in the code to their partners and upstream suppliers.

- Does the institution’s supplier code of conduct include one or more expectations of monitoring and review? For example, audits or tracking mechanisms to assess supplier sustainability performance and compliance with the code of conduct.

9.2 Percentage of bid solicitations that identify sustainability considerations

An institution earns 2 points when 100 percent of its **bid solicitations** - e.g., requests for proposals (RFPs) or requests for tender (RFTs) - identify A) **product sustainability specifications** that are relevant to the specific goods or services being sought and B) **supplier sustainability considerations**. Incremental points are available and earned as outlined in Table II.

Table II. Points earned for indicator 9.2

Criterion	Percentage of bid solicitations that meet each criterion		Factor		Points earned
A. The bid solicitation identifies product sustainability specifications that are relevant to the specific goods and/or services being sought.		×	0.01	=	
B. The bid solicitation identifies supplier sustainability considerations.		×	0.01	=	
Total points earned →					

Measurement

Report on bid solicitations issued by the institution during the previous three years. The analysis may be limited to the most recent year for which data are available or include the entire three-year period.

An institution with a large number of RFPs or RFTs may report on a **representative sample** that includes at least 20 bid solicitations of diverse types and scopes. Bid solicitations with an anticipated aggregate value of \$50,000 US Dollars (USD) or less per year or an anticipated contract duration of one month or less may be excluded.

For this indicator, an institution must report on the activities of its central purchasing unit, department, and/or portal, at minimum. Other entities engaged in procurement activities may be excluded at the institution’s discretion to simplify reporting.

An institution that has not issued any bid solicitations within the previous three years or for which bid solicitations represent a de minimis portion of its total spend may report on the extent to which it has

published sustainability criteria (e.g., documented in a written sustainable purchasing policy) covering the full range of goods and services it procures and the suppliers with which it engages.

Documentation

Report the following information in the online Reporting Tool, with percentage figures provided within a range of 0 to 100.

- Does the institution have sufficient data on its bid solicitations to pursue this indicator? (required)

If Yes, the following three fields are also required. If No, zero points are earned for this indicator and no further information is required to complete it.

- Percentage of bid solicitations that identify **product** sustainability specifications. Specifications include category-specific sustainability criteria, standards, certifications, ecolabels, and targets that apply to the proposed goods or services.
- Percentage of bid solicitations that identify **supplier** sustainability considerations. Considerations include enterprise-level criteria that apply to prospective suppliers, e.g., international standards, third party certifications and ecolabels, and supplier sustainability ratings.
- Description of the methodology used to assess the institution’s bid solicitations. For example, the time frame used, the scope of the analysis (e.g., solicitations included/excluded), how a representative sample was identified (if applicable), and any data limitations that may have influenced the results.

If claiming points for this indicator, at least one of the following two fields is also required:

- Online resource supporting the percentage of bid solicitations reported. Website URL. For example, a public website where the institution’s RFPs/RFTs are made available.
- Document supporting the percentage of bid solicitations reported. Upload. For example, a spreadsheet in which the percentage figures are calculated.

9.3 Average weight given to sustainability considerations in bid appraisal

An institution earns 2 points when A) product sustainability specifications that are relevant to the specific goods or services being sought and B) supplier sustainability considerations are each assigned an average weight of at least 10 percent in the institution’s bid appraisal process. Partial points are available and earned as outlined in Table III.

Table III. Points earned for indicator 9.3

Criterion	Average weight assigned in the bid appraisal process and points available			Points earned
	1 to 4 percent	5 to 9 percent	10 percent or	

			more	
A. Product sustainability specifications	0.25	0.5	1	
B. Supplier sustainability considerations	0.25	0.5	1	
Total points earned →				

Measurement

Report on the institution’s minimum standards for evaluating responses to RFPs/RFTs (e.g., as established in a bid appraisal tool that uses multi-criteria analysis) and/or the estimated average weights applied during the previous three years.

To avoid double-counting, an institution for which product sustainability specifications and supplier sustainability considerations are assessed together must split the total weight assigned between the two criteria. For example, an institution for which “product and supplier sustainability” is assigned a weight of 10 percent may report 5 percent for each criterion, but may not report 10 percent for each criterion.

An institution that has not issued any bid solicitations within the previous three years or for which bid solicitations represent a de minimis portion of its total spend may report on the weight that published sustainability criteria (e.g., documented in a written sustainable purchasing policy) are assigned in the process of selecting the goods and services it procures and the suppliers with which it engages.

Documentation

Report the following information in the online Reporting Tool.

- Average weight assigned to product sustainability specifications in the institution’s bid appraisal process (required). Report on the average or minimum combined weight allocated in the bid appraisal process to the performance or prospective goods and/or services in relation to the sustainability specifications identified in the RFP/RFT.
 - 10 percent or more
 - 5 to 9 percent
 - 1 to 4 percent
 - 0 percent
 - Data not available

- Average weight assigned to supplier sustainability considerations in the institution’s bid appraisal process (required). Report on the average or minimum combined weight allocated in the bid appraisal process to a prospective supplier’s performance in relation to the sustainability considerations identified in the RFP/RFT.
 - 10 percent or more
 - 5 to 9 percent

- 1 to 4 percent
- 0 percent
- Data not available
- Narrative outlining how the average weights given to sustainability considerations were determined (required)

9.4 Percentage of contract spend with social impact suppliers

An institution earns 2 points when at least 10 percent of its total annual **contract spend** is with **social impact suppliers**. Partial points are available. An institution for which at least 5 percent, but less than 10 percent, of its total annual contract spend is with social impact suppliers earns 1 point.

Table IV. Percentage of contract spend with social impact suppliers

Annual contract spend with social impact suppliers		Total annual contract spend		Factor		Percentage of contract spend with social impact suppliers
	÷		×	100	=	

Measurement

Report the most recent annual (fiscal or calendar year) data available from within the previous three years. Contracts or tenders with an aggregate value of \$50,000 USD or less per year or a duration of one month or less may be excluded. Report the actual value of transactions during the year in question rather than the total aggregate value of the contracts or tenders.

For this indicator, an institution must report on the activities of its central purchasing unit, department, and/or portal, at minimum. Other entities engaged in procurement activities may be excluded at the institution’s discretion to simplify reporting.

The analysis may be limited to the institution’s Tier One **suppliers** (e.g., its directly contracted suppliers) or include multiple tiers in the supply chain (e.g., a Tier One supplier’s subcontractors) as long as double-counting is avoided.

Double-counting must also be avoided when identifying social impact suppliers. For example, the spend with a supplier that is both employee-owned and a Certified B Corporation may only be counted once.

An institution that has not entered into any contracts or tenders within the previous three years or for which contracts and tenders represent a de minimis portion of its total spend may report on its total uncontracted spend with suppliers during the performance year.

Provide information about the methodology used to complete this indicator, the scope of the analysis (e.g., contract types included/excluded), and any data limitations that may have influenced the results in the public “Notes” field provided in the Reporting Tool.

Documentation

Report the following information in the online Reporting Tool, with spend figures provided in the institution's local currency:

- Does the institution have sufficient data on its contract spend to pursue this indicator? (required)

If Yes, the following six fields are also required. If No, zero points are earned for this indicator and no further information is required to complete it.

- Performance year for contract spend. The year the performance period ended.
- Local currency code. Report the three-digit ISO alphabetic code of the currency used to document the institution's contract spend (e.g., AUD, CAD, or USD).
- Total annual contract spend
- Annual contract spend with social impact suppliers. Report on **enterprises owned by people from marginalized groups, employee-owned enterprises, social enterprises,** and Certified B Corporations.
- Narrative and/or website URL providing an a overview of the institution's contracts with social impact suppliers
- Description of the methodology used to assess the institution's contract spend with social impact suppliers. For example, the time frame used, the scope of the analysis (e.g., entities included/excluded), and any data limitations that may have influenced the results.

The Reporting Tool will automatically calculate the following figure:

- Percentage of contract spend with social impact suppliers

Glossary

Bid solicitation – A method for procurement offices to select a supplier for a contract. It includes how the office chooses to announce, request, and receive responses from potential suppliers. Bid solicitations may include requests for proposal (RFPs), requests for bids (RFBs), requests for tenders (RFTs), or the equivalent.

Contract spend – The value of an institution's transactions with suppliers where a formal contract or tender is in place.

Employee-owned enterprises – Organizations that are at least 51 percent owned (or eligible to be owned) by their employees through an Employee Stock Ownership Plan (ESOP), worker or farmer owned cooperative, or the equivalent.

Enterprises owned by people from marginalized groups – Enterprises that are at least 51 percent owned by people who identify as members of marginalized groups. This includes, for example, businesses that are formally designated as minority owned, women owned, LGBTQ+ owned,

Disadvantaged Business Enterprises (DBEs), Historically Underutilized Businesses (HUBs), or the equivalent. Marginalized groups include:

- Ethnic, national, religious, and linguistic minorities
- Incarcerated and formerly incarcerated individuals
- Indigenous peoples
- LGBTQ+ individuals
- Migrants, refugees, and asylum seekers
- People with disabilities
- Racialized people
- Residents of economically divested areas
- Roma, Sinti, and Travelers
- Survivors and veterans of conflict
- Women

Product – A good or service procured from a supplier.

Product sustainability specifications – Social and environmental criteria that address the sustainability performance and supply chain impacts of prospective goods and services and are used to inform ongoing purchasing and/or contract awarding in the procurement process. The criteria may include, but are not limited to, international standards, third party certifications and ecolabels, and minimum performance criteria that address, for example:

- Circularity (e.g., refurbishment, repairability, reuse, take-back)
- Content (e.g., bio-based, non-toxic, recycled)
- Efficiency (e.g., energy, supplies, water)
- Embodied content (e.g., cradle-to-gate carbon, energy, and water impacts)
- Emissions and waste
- Traceability and chain of custody (e.g., responsible harvesting of raw materials)
- Worker rights and safety (e.g., in performance, manufacture, and sourcing)

Representative sample – A subset of a statistical population that accurately reflects the members of the entire population. A representative sample should be an unbiased indication of what the entire population is like. For example, in a student population of 1,000 students in which 25 percent of the students are enrolled in a business school, 50 percent are enrolled in humanities programs, and 25 percent are enrolled in science programs, a representative sample might include 200 students: 50 business students, 100 humanities students, and 50 science students. Likewise, a representative sample of purchases should accurately reflect the institution’s total purchases, accounting for seasonal and other variations in product availability and purchasing.

Social enterprise – An operator in the social economy whose main objective is to have a social impact rather than make a profit for their owners or shareholders. A social enterprise operates by providing goods and services for the market in an entrepreneurial and innovative fashion and uses its profits primarily to achieve social objectives. It is managed in an open and responsible manner and, in particular, involves employees, consumers, and stakeholders affected by its commercial activities. The term “social enterprise” encompasses businesses:

- For which the social or societal objective of the common good is the reason for the commercial activity, often in the form of a high level of social innovation;
- Whose profits are mainly reinvested to achieve this social objective; and
- Where the method of organization or the ownership system reflects the enterprise’s mission, using democratic or participatory principles or focusing on social justice.

Examples include fair and ethical trade organizations, self-help organizations, cooperatives, community owned enterprises, and charity or non-profit organizations. [Adapted from the definition used by the European Commission.]

Social impact supplier – Consistent with the Anchor Learning Network, social impact purchasing is defined as purchasing that is directed toward improving societal health and well-being and catalyzing prosperity for all, particularly those impacted by a legacy of divestment and discrimination. Social impact suppliers therefore include:

- Enterprises owned by people from marginalized groups,
- Employee owned enterprises,
- Social enterprises, and
- Certified B Corporations.

Supplier – A service provider, contractor, vendor, or other entity entering into a contract or subcontract directly or indirectly with the institution. Tier One suppliers are direct suppliers. Tier Two suppliers are enterprises that serve as vendors and/or subcontractors to the direct suppliers.

Supplier code of conduct – A formal policy or document created to guide suppliers on the institution's social and environmental expectations for them.

Supplier sustainability considerations – Social and environmental criteria that address the enterprise-level sustainability impacts of prospective suppliers and are used to inform contract awarding in the procurement process. The criteria may include, but are not limited to, international standards, third party certifications, and supplier sustainability ratings that address:

- Governance, ethical business practices, and anti-corruption measures
- Reduction of negative environmental impacts
- Commitment to science-based greenhouse gas emissions targets
- Treatment of workers (e.g., human rights, labor rights, wages, and working conditions)
- Positive social and environmental impacts
- Engagement on sustainability issues in the supply chain
- Sustainability performance disclosure