



How Horizon Specialist Contracting, as an SME, used BS 8903 to embed the principles of sustainable procurement

At a glance

- Horizon Specialist Contracting Ltd is a leading specialist contractor. It has expertise in design, inspection and maintenance at height, as well as in access and fall arrest systems. Prestige projects include St Pancras Station roof and lightning protection for Oxford's historic Radcliffe Camera.
- Horizon already works with standards, it's certified to three management systems standards and had already implemented some principles of sustainable procurement.
- The company next used BS 8903 to develop policy and strategy, identify training needs and to benchmark its progress against the Government's sustainable procurement matrix.
- Although Horizon felt that a lot of BS 8903 wasn't relevant to it as an SME, nevertheless the standard helped Horizon implement important elements of best practice.

About BS 8903

BS 8903 provides expert guidance as to how sustainable procurement can be done in practice. Individuals and organizations of all sizes can use the standard to understand better what sustainable procurement means, and the business case for adopting it. They can also use the standard to embed best-practice approaches to sustainable procurement into their supply chains.

What is sustainable procurement?

BS 8903 defines sustainable procurement as "only purchasing goods that are really needed, and buying items or services whose production, use and disposal both minimize negative impacts and encourage positive outcomes for the environment, economy and society." The standard adds that "Sustainable procurement is good procurement and should not be viewed as an abstract, idealistic goal, but as a practical and achievable objective for all organizations, large and small."

What are the benefits of sustainable procurement?

Sustainable procurement brings three types of benefits. It can achieve a positive change or impact in a specific area. For example, it can reduce carbon emissions, or reduce end-of-life disposal costs, or improve social diversity in the supply chain. Procuring sustainably can also mitigate risks for an organization. So it can prevent or uncover things a supplier might do that could damage an organization's reputation or lead to loss of revenue, cost, litigation or loss of shareholder confidence. Finally, sustainable procurement can support competitive differentiation and advantage. So an organization might create new green or ethical products or gain entry into previously unavailable markets as a result of sustainable procurement.



Why did Horizon choose BS 8903?

Horizon Specialist Contracting already had some experience of standards when it began working with BS 8903. The company is certified to ISO 9001 for quality management, ISO 14001 for environment management and OHSAS 18001 for health and safety management.

In relation to sustainable procurement, Horizon had already implemented a supplier approval mechanism through its quality management system (QMS). This required suppliers to complete an approved supplier questionnaire and to provide evidence that the materials they used were sustainably sourced. Horizon also wanted to see its suppliers' Environmental Policies, and its sub-contractors were given a copy of Horizon's Health, Safety and Environmental Rules which they were

asked to sign up to. Horizon also did a periodic re-evaluation of all its suppliers and sub-contractors, and their performance was monitored in line with the QMS.

Notwithstanding the above, however, Horizon is an ambitious business, always looking to make improvements. When the opportunity to work with BS 8903 came along, the company was interested both in finding ways to be a more socially responsible business and in any opportunities the standard could provide to acquire market advantage.

BS 8903 and the Flexible Framework

In 2006 the UK Government published its **Flexible Framework**. This is organized under five themes and against five levels, and provides a way for organizations to gauge their sustainable procurement performance using a self-assessed 'maturity matrix'.

Under the theme of 'People', for example, a business at Level 1 will have appointed a sustainable procurement champion, given key staff some sustainable procurement training,

and included sustainable procurement in the employee induction programme.

Meanwhile a business at Level 5 in the 'People' theme will be publicising its sustainable procurement achievements and using these to attract procurement professionals. Internal and external awards will be made for achievements in sustainable procurement, and good practice will be shared with other organizations.

BS 8903 is closely aligned to the Flexible Framework, so that the two can be used in tandem. The standard provides practical guidance and recommendations on how to adopt and embed sustainable procurement, while the Framework provides a way for organizations to track their progress from Level 1 'Foundation' to Level 5, 'Lead'.

How Horizon used BS 8903

The first step was to introduce the BS 8903 standard to Horizon, and to make them aware of the key principles within the standard. Initially, a very brief presentation was put together. This introduced how the standard works, what it is used for and how the sustainable procurement process wheel diagram is used.

Following this introduction, the connection between the standard and the Flexible Framework was explained [see box]. It was then agreed that the best starting point would be to benchmark Horizon's current position using the Flexible Framework.

This exercise showed that Horizon was at Level 1 for 'Policy, Strategy and Communications', 'Procurement Process' and 'Measurements and Results'; and at Level 2 (out of 5) for 'People' and 'Engaging Suppliers'. Horizon decided to aim for Level 3 across all the themes identified within the Framework, using the guidance in BS 8903 to get there.

Putting the fundamentals in place

BS 8903 states that a sustainable procurement policy and strategy are fundamental to the successful implementation of sustainable procurement. These should also be integrated with the organizational policy in terms of targets and key business goals.

In Horizon's case, the company had already developed both a sustainability policy and an equal opportunities policy and both were useful when it came to creating a sustainable procurement policy and strategy.

As a start point, Horizon was given example Corporate Social Responsibility (CSR) strategies to look at. These stimulated a discussion on the commitments Horizon has made to its customers, suppliers, community and environment. It was agreed that Horizon holds a number of core values that apply in all its work, these being:

- to make safety paramount,
- to ensure a professional service is provided,
- to work effectively in teams,
- to support the workforce and
- to build relationships based on trust.

These values and this discussion informed the creation of a sustainable procurement policy which builds on the existing sustainability policy.

Embedding the 'people' element

Horizon already included basic sustainable procurement training in induction programmes for new staff. However, the company was interested in introducing targeted training on sustainable procurement principles as a way to move up the Flexible Framework for the 'People' theme.

In this regard, BS 8903 recognizes that building people's competence in sustainable procurement is 'perhaps the most important enabler of all and should not be underestimated.' As such, the standard provides example training options and learning and development methods.

The concept of introducing an incentive scheme was discussed as a potential driver for introducing targeted training programmes. It's thought that through targeted training for the relevant staff, Horizon could potentially move up a level on the Framework.

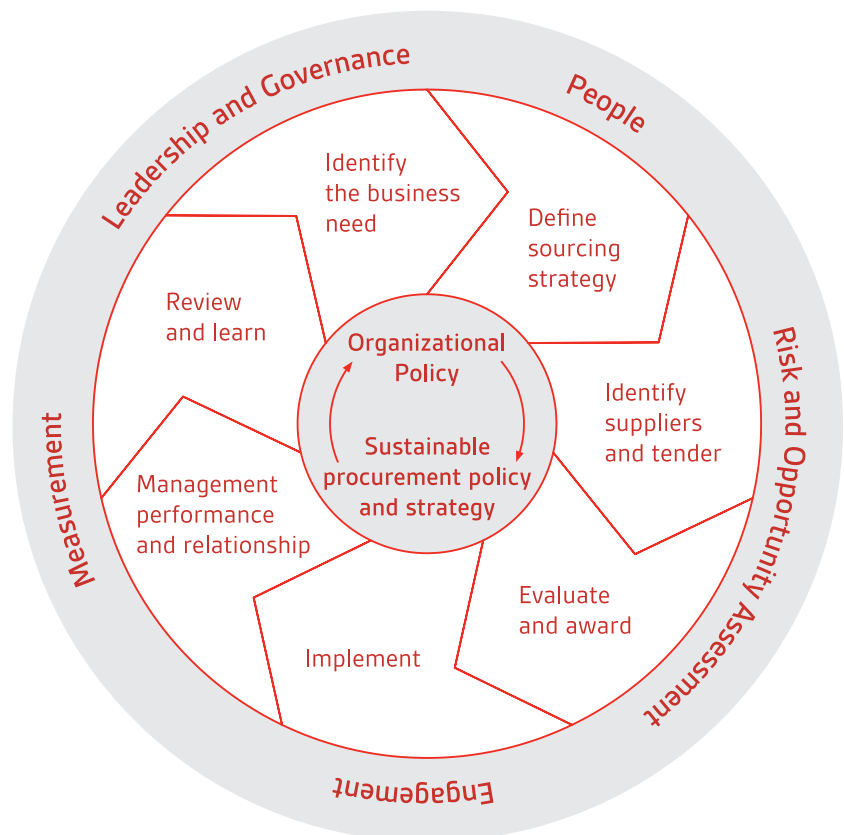
Identifying risk and opportunity

BS 8903 states that the identification and understanding of supply chain risk and opportunity is good, basic procurement practice. For its part, Horizon felt that although the key sustainability impacts of its procurement activities had been identified, it had made little progress with implementing measures to identify high risk areas.

To do so, therefore, Horizon decided to do a 'heat map' exercise. This would also move Horizon up to Level 2 in the Flexible Framework for 'Measurements and Results'.

To make the 'heat map', Horizon looked at its 40 most frequently used suppliers over the last 12 months and graded each one again a list of 12 key impacts that are listed in BS 8903. The key impacts include: Energy, Biodiversity, Water Use, Air Emissions etc.

Suppliers were coded as green (low potential risk), yellow (medium potential risk) or red (high potential risk) in respect of each of the 12 impacts. The total spend on each supplier for the last 12 months was also taken into account because the less often a given supplier is used, the lower the risk becomes for that supplier.



The high potential risk areas in the supply chain were identified as the energy used by a construction contractor (who represented a significant proportion of Horizon's spend for the last 12 months) and an engineering firm specializing in steel fabrication. Materials also emerged as an area with a significant amount of risk.

The key objective in understanding risk was to encourage Horizon to work with suppliers to improve those areas where there is a medium or high risk and thus reduce it. Horizon can now use the 'heat map' to influence decision making when reviewing future suppliers. The map will also help improve engagement with current suppliers.

In conclusion

What has resulted from using BS 8903?

Working with BS 8903, Horizon focused on establishing the fundamentals outlined within the BS 8903 standard and on introducing the concept of supply chain risk. As such, the company has taken a number of positive steps. It found its CSR policy could be used as a starting point for implementing sustainable thinking throughout the procurement process. Use of the 'heat map' as a tool for assessing future suppliers will ensure that risk is systematically considered in the tender process.

That said, it became clear that BS 8903 is more difficult to apply to an SME than to a larger operation, because a lot of the clauses relate more to large businesses. Horizon believes that any future revision of the standard should take more account of the needs of SMEs.



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