

Socially responsible public procurement of audio-visual equipment

The supply, design, and installation of energy efficient audio-visual equipment



Image: pixabay.com

Procuring organisation:

Advanced Procurement for Universities & Colleges (APUC), Scotland

Contract:

Framework agreement for supply, design, and installation of energy efficient audio-visual equipment, awarded in 2018.

Estimated value for the framework agreement: £15 million pounds per annum.

SUMMARY

- APUC incorporated social and environmental criteria within its framework agreement for audio-visual equipment
- Award criteria were used to evaluate how bidders will encourage sustainability in the provision of goods and services for this contract. Contract performance clauses were used to ensure compliance with APUC's Supply Chain Code of Conduct and encourage social value creation.
- For one of the lots, APUC used a whole life cycle costing model, which also accounted for energy use during the life of the audio-visual equipment.

Background

Advanced Procurement for Universities and Colleges ([APUC](#)) is the procurement centre of expertise for Scotland's universities and colleges. APUC has broad and deep experience in integrating criteria relating to both environmental as well social aspects into its procurement. Its [sustainable procurement](#) approach is ingrained in all steps of its procurement process – from strategic development, to tendering and contract management, with its entire staff experienced in questions relating to sustainability. Core to APUC's work is to support universities and colleges across Scotland to implement sustainable public procurement.

Sustainability and social responsibility are key drivers within APUC. It is a founding member and [Electronics Watch](#) Affiliate, and ethical trading, environmental impact reduction, equality and diversity considerations are examples of typical concerns of APUC, their staff, members and of the wider community they serve.

As collaborative and blended learning approaches become more common, universities' and colleges' demand for audio-visual equipment has increased. As such, in 2018, in collaboration with universities and colleges across Scotland, APUC decided to integrate social and environmental requirements into its procurement of audio-visual and video conferencing equipment.

Following the disruption to education caused by COVID-19 and the move to more technology-enabled learning, the need for socially responsible and environmentally efficient audio-visual equipment has only increased.

Procurement Approach

APUC set up three market engagement meetings, held over three days (two in Glasgow and one in Edinburgh). Suppliers from the previous framework agreement as well as companies that had been observed through an expenditure analysis were invited. A stakeholder group consisting of audio-visual experts and procurement managers from some of the institutions also attended the meeting. To enable a focused and productive discussion, potential bidders were provided with a presentation subject, which included a section on sustainability and socially responsible procurement.

APUC designed the tender as a framework agreement for two years with call-off contracts. The framework includes the possibility to extend it by two 12-month periods. The contract was also open to all Higher and Further Education institutions in Scotland. The tender was divided into two product lots, where the tenderer could bid for one or both lots:

- Lot 1: Supply of equipment and consumables (15% of the contract value)
- Lot 2: Supply, Design, Installation and Maintenance (85 % of the value)

Social criteria used

Subject matter of the contract

The supply, design and installation of energy efficient audio-visual equipment, including video conferencing equipment.

Award criteria

Bids were evaluated based on the Most Economically Advantageous Tender (MEAT) approach, for both technical and commercial merits.

- Lot 1: Technical 30 % (sustainable procurement 5 %) and Commercial 70 %.
- Lot 2: Technical 70 % (sustainable procurement 5 %) and Commercial 30 %.

Lot 1 – Supply of equipment and consumables: Sustainability criteria

Tenderers were asked to identify any environmental issues their organisation has encountered in relation to the sourcing and provision of the products listed in Lot 1, demonstrating how they addressed these issues, and will ensure compliance with all statutory environmental obligations and effectively manage its environmental impacts during the delivery of this Framework Agreement including:

- Details of the organisation’s approach to achieving supply chain transparency i.e. understanding where products are manufactured and the working conditions within the sites. A supply chain mapping template was provided as an appendix.
- The methodology used to encourage reuse of equipment within the supply chain which may also be available to the institutions during the Framework Agreement
- Any recyclable/reusable packaging targets set by the organisation
- The organisation’s approach to environmental management, including accreditations held and adhered to in delivery
- Staff awareness and training to be delivered/applied

Table 1: Scoring methodology for Lot 1 and 2 sustainability criteria

Scoring Methodology	
Good [3]	The Tenderer has clearly demonstrated how they will deliver community benefits or sustainable value throughout the life of the Framework Agreement. The response addresses all the key points listed above in sufficient detail providing confidence that the benefits identified can be realistically made with significant outcomes/impact.
Acceptable [2]	The Tenderer has demonstrated how they will deliver community benefits or sustainable value throughout the life of the Framework Agreement. The response addresses most of the key points listed above in detail or the Tenderer has provided all the key points listed above but lacks detail in answering the question fully. The response provides confidence that the benefits identified can be made with some level of outcome/impact.
Minor Concerns [1]	The Tenderer has shown to some extent how they will deliver community benefits or sustainable value throughout the life of the Framework Agreement. The response addresses some of the key points listed above in detail or the Tenderer has provided most of the key points listed above but lacks detail. The response does not provide confidence that the benefits identified can be made or they can be met but with little outcome/impact.
Major Concerns [0]	The Tenderer has failed to address the question, submitted a nil response or any element of the response gives cause for major concern.

Lot 2 - Supply, Design, Installation and Maintenance: Sustainability criteria

Detail your approach to the sustainable provision of products and services. Your response should provide a detailed account of how your organisation addresses the following key areas:

- Managing social and ethical risk in the supply chain
- Equipment or Packaging reduction targets or schemes
- Reuse, refurbishment, recondition or re-allocation of end of life equipment to local communities
- Waste reduction and Carbon reduction measures
- Methodology for the disposal, in an environmentally sensitive way, of any equipment that new purchases will displace as well as your other obligations for new equipment placed on the market under the WEEE Directive
- Accreditations gains such as ISO14001 (or Equivalent)
- Community benefits and opportunities for New Entrants (Please attach matrix)

Answer is limited to: 4 pages of A4 at font Arial size 11 plus community benefits matrix.

Lot 2 - Supply, Design, Installation and Maintenance: Whole Lifecycle Cost criteria Unlike Lot 1, which focussed on the supply of individual products, in Lot 2, suppliers were asked to design solutions, and APUC wanted to challenge suppliers to provide designs which are sustainable i.e. energy efficient and durable equipment, with spare parts and future-proof design. Budget-wise, the majority of the spend will be focussed on Lot 2.

Tenderers were required to complete a “Pricing Schedule” (included as an annex to the Call for Tender) which would calculate the whole lifecycle cost of audio-visual equipment.

To calculate the whole life cost, the following assumptions were made:

- The lifecycle of the equipment shall be 5 years
- The cost per kWh is provided and shall be used to multiply all responses for the entire lifetime
- The equipment will be in use for 10 hours, for 5 days each week and then will be switched to low power for 14 hours and during the weekend and holiday periods
- For the purposes of evaluation it is assumed that there are 46 working weeks in the year, which will be 365 days
- To calculate power consumption, the formula is [number of hours' use] x [number of days' use] x ([capacity of appliance expressed in watt] / 1,000) = number of kWh
- The equipment shall include a 5-year warranty and the Institution should not need to purchase additional consumables during this 5-year lifecycle. Tenderers should also include itemized pricing for consumables required for the 5-year lifecycle under the relevant equipment.

Pricing was compared using the formula:

[Lowest Bid/Actual Bid] * Marks Available

Contract performance clauses

In the call for tenders, APUC stipulates that the Contractor is encouraged to act at all times in an ethical, environmentally sustainable and socially responsible manner in the conduct of their business, as well as striving to improve quality standards and overall value for money. APUC is seeking Contractors who are able to demonstrate a commitment to these values. This includes:

- compliance with APUC’s [Supply Chain Code of Conduct](#), which includes suppliers’ committal to not using forced, involuntary or underage labour;
- non-discriminatory behavior and compliancy with Living Wage or Minimum Wage requirements;
- promotion of Equality and Diversity through the life of this Framework Agreement, including Community Benefits or social value where they are identifiable throughout the term of the Framework Agreement (including providing training opportunities to staff and students, apprenticeships and investment in the local community), which APUC will help the contractor identify.
- Compliance with the Modern Slavery Act

Contractors must have policies or plans to put a policy in place for the following:

- Sustainability considerations – socio/economic and environmental
- Community Benefits, social and equality targets/requirements
- Considerations such as fair and ethical trading
- Equality and Diversity requirements

The Contract performance will be monitored at supplier review meetings, considering Key Performance Indicators (KPIs). Contract review meetings will take place every six months. The focus so far has been on reuse of equipment. Suppliers are also asked to complete the APUC’s “Sustain” supply chain database, which is currently in a pilot phase. This database is designed to improve the knowledge and awareness of supply chains and practices within them. The KPIs for social responsibility are listed in the table below:

KPI	Category	Measure
1	Sustainability	Demonstrates an understanding of supply chain and working practices within the supply chain
2	Sustainability	Achieved Community Benefits

Results

13 bids were received for the tender, which was launched end of May 2018 and awarded end of August the same year. The framework was well used, with the exception of during the first months of the COVID-19 pandemic, when the physical delivery of goods and services was affected. Moving forward, demand is expected to change as a result of the pandemic and its impacts on education.

APUC has developed a standardised approach to contract and supplier management with three defined [levels of contract management](#): Routine, Managed and Strategic. For this Framework Agreement APUC has identified the level of contract management as Strategic. This requires that APUC and contractors in this framework agreement will meet on a 6 monthly basis to monitor contract usage by the sector, the product offering, contract performance and delivery of sustainability benefits.

Some deliverables have been achieved relating to the set environmental and social criteria:

- Contractors supply audio-visual equipment with the latest energy efficient class and the supply chains are being mapped.
- Some suppliers provided tier 1 supply chain information only, while others were willing to share more detail at the time of tender. As part of its contract management process APUC is working with suppliers to gain a clearer understanding of the supply chain.
- Additionally, the contract resulted in the employment of a number of apprentices by Contractors and the creation of training opportunities leading to socio-economic benefits.

Lessons Learned

APUC used award criteria to score supply chain mapping to improve supply chain transparency. The approach resulted in a variety of responses, with some suppliers providing details on their supply chains while others did not. Moving the requirement for supply chain transparency into contract management by defining a contract condition for contractors to provide supply chain transparency information within 30 days, will enable both sides to better manage the process. This will lower the workload during bid evaluation while at the same time making supply chain transparency a mandatory part of the contract.

Local audio-visual equipment resellers and installers only constitute a small group of suppliers. While these suppliers do not have a much influence in the global supply chain, their awareness of APUC requirements for supply chain transparency has increased, and the deeper their knowledge of the supply chain is, the more points they can score. This in turn encourages more attention to transparency at the next tier of the supply chain.

APUC is working with purchasing consortia in the UK to embed social and environmental criteria in tenders. All client universities and colleges have become Electronics Watch affiliates, in order to increase monitoring in the supply chain. *“We have developed a [Responsible Procurement Action Plan](#) based on the UN Sustainability Goals and appointed a Responsible Procurement Coordinator. We try to develop lessons learned from our procurement activities, from both within our IT category and other categories.”* - Michael McLaughlin, Head of Category – Information Services

CONTACT

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Head of Category – Information Services

Advanced Procurement for Universities & Colleges (APUC)

<https://www.apuc-scot.ac.uk/#>

About Procura+

Initiated and co-ordinated by ICLEI, Procura+ is a network of European public authorities and regions that connect, exchange and act on sustainable and innovation procurement.

Connect.



We are a network of European public authorities that connect, exchange and act on sustainable and innovation procurement.

Exchange.



Our combined knowledge and experience allows us to provide advice, support and publicity to any public authority that wants to implement sustainable and innovation procurement.

Act.



The Procura+ Network joins forces to champion sustainable and innovation procurement at the European level.

www.procuraplus.org

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About Electronics Watch

[Electronics Watch](#) (EW) is a not-for-profit non-governmental organization that brings together public sector buyers and civil society organizations in electronics production regions with experts in human rights and global supply chains. It guides public procurement demand for decent working conditions in electronics supply chains, and provide capacity for public buyers to follow up on contractual demands through worker-driven monitoring which helps workers to voice complaints and contribute to solutions. EW's work is focusing on:

- Informing and organizing public procurement demand for decent working conditions in electronics supply chains.
- Investigating and working to improve working conditions in public procurement electronics supply chains.

EW has an affiliate network that allows public buyers to exchange ideas and learn from each other.

About the Make ICT Fair project

The Make ICT Fair - Reforming Manufacture & Minerals Supply Chains through Policy, Finance & Public Procurement is a three- year project, which received three million euros funding from the European Commission. The partners are: CEE Bankwatch, Electronics Watch, ICLEI, Le Monde Diplomatique, People & Planet, SETEM Catalunya, Südwind, Swedwatch, Towards Sustainability Association, and the University of Edinburgh.

The overall objective of the project is to increase EU citizen knowledge of EU development cooperation within the context of the Sustainable Development Goals (SDGs); Raise awareness & understanding of EU citizens/decision makers about the interdependencies between the Global South and Europe, Mobilize EU citizens/decision makers & ICT purchasers/procurers working in the EU Public Sector to improve workers'/communities' rights and conditions in the ICT industry.



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