Ethical Procurement Case Study - The University of Edinburgh

The University of Edinburgh (UoE) has put in place its latest service contract for formal academic dress hire services.

Background

UoE requires the provision of academic dress hire services, both for students and staff members who require formal academic outfits. The most significant occasions in terms of numbers are the twice-yearly collection of graduation ceremonies. However, the University also requires some additional outfit provision throughout the year for staff and distinguished guests who attend other events where formal dress is required.

For this Concession Contract tender, there was a high probability for potential contractors to source their gown materials and/or manufacturing services from suppliers in emerging economies who may not be sufficiently obligated by relevant local authorities to comply with internationally-recognised ethical standards and conventions. Despite technically being an unregulated procurement, UoE wanted to pay special attention to ensure compliance with the Procurement Reform (Scotland) Act’s 2014 mandatory obligations regarding ‘Fair and Ethical Trading’. This reflects the University’s commitment to Social Responsibility and Sustainability, including its long-standing promotion of fair trade since becoming a Fairtrade University in 2004.
Procurement Strategy and Pre-Contract Stage

UoE aims to utilise the Scottish Government’s Sustainable Procurement Tools within all regulated procurement activity, including the Prioritisation Tool; the Sustainability Test; Life Cycle Mapping; and the Scottish Flexible Framework. Such tools aim to assist the University in complying with the requirements of the Procurement Reform (Scotland) Act 2014 and its associated sustainable procurement duty. For this tender, they were especially useful in helping to identify any concerns associated with the infringement of human rights within supply chains that could foster exploitation. These concerns manifest in the form of poor pay and conditions; excessive working hours; illegal recruitment fees; abuse; forced, bonded or child labour; low health and safety standards; and/or trade union membership restrictions.

Antonia Hynd – UoE Procurement Officer

“Thorough market engagement concluded that there would most likely be bidders who (a) sourced textiles from overseas and (b) used overseas manufacturing subcontractors in developing countries. Our main areas of risk were the social welfare of the labour force in the supply chain and potential environmental concerns around textile production.”

Procurement Requirements

After identifying potential risks during the pre-contract phase, several considerations were made as to how the minimum standards section of the tender could be utilised to ensure fair and ethical trading practices are executed by the awarded supplier.

Despite being an unregulated procurement, the University decided to impose the European Single Procurement Document (ESPD) as part of the qualification process. This helped to confirm bidders complied with social, environmental and labour law. However, the ESPD does not specify which laws are applicable nor automatically request supporting information. In addition, the declaration in the ESPC only refers to the bidder/primary contractor and if bidders were outsourcing/subcontracting garment production to third parties, the subcontractor’s adherence to local legislation could not be guaranteed.

It may have been pertinent to research if the Government Buying Standards for Textiles1—mandatory criteria—could have been used effectively in this tender process and this has been earmarked to explore in the next tendering process.

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Finally, as a minimum requirement, the successful supplier was required to participate in the APUC’s (Scotland’s procurement centre of expertise for universities and colleges) Audit Programme (‘Sustain’) to ensure compliance with the APUC Code of Conduct. With respect to social compliance within this code of conduct, suppliers are expected to:

- Not use forced, involuntary or underage labour
- Provide suitable working conditions and terms
- Treat employees fairly

Furthermore, with respect to ethical compliance and economic development, suppliers are expected to:

- As a minimum, comply with all laws and regulations of the countries they are working in, manufacturing in or trading with, as applicable.
- Not be involved in any way with acts of corruption or bribery, or support acts of violence or terrorism or abuse of individual people or communities.
- Not force unsustainable or unfair contract terms on their suppliers, or throughout their supply chain, nor allow unfair exploitation of a dominant market or customer position.
- Support fair trade conditions for producers, where applicable.
- As a minimum, comply with all financial regulations and taxations of the countries they are working in, manufacturing in or trading with, as applicable.
- Include community benefit delivery in the locality of where the contract is performed (including publishing and delivering levels of local training and employment opportunities etc.).
- Appoint sub-contractors through an open and fair process such as public advertising of such opportunities wherever possible.
- Act at all times with respect and integrity, including open and transparent accounting.
- Allow staff protection if reporting misconduct or raising concerns with respect to their own, or another organisation, and ensure all affected staff are treated in a fair and transparent manner.

Tender Award Criteria

The main fair and ethical trading assessment was achieved via the Award Criteria

At the award stage of the tender, a wider Production Methodology question was included (please see below). Part of the objective of this question was to gain a comprehensive understanding and description of the proposed supply and manufacturing supply chain, including named subcontractors and specific factory/production locations.
A further 3 sustainability questions (totalling 7% of the total tender score) were also included (please see below).

The “Working toward a More Sustainable Future” award criteria was included to try to ensure the University had declarations from bidders that they would be willing to proactively contribute in information exchange and discussion in the key areas stated. This in itself was an effort to improve services, overcome any obstacles and embrace new technologies over such a potentially long contract period.

Finally, an FIO question/requirement was included (please see below) to allow the University to have access to full copies of the bidders’ sustainability policies. This in turn ensured details could be scrutinised and questioned further—if necessary. If the winning bidder did not have any relevant policies, the University would be able to work with them to ensure they were created.
Evaluation of Award Criteria

According to the tender’s key contact, Antonia Hynd:

“It is often challenging to evaluate sustainability and fair trade award criteria, and, scoring appropriately can be complicated when looking at overseas supply chains. Labour and Social Legislation standards can differ greatly between countries, so even if bidders (or subcontractors) state that they comply with local laws, this can mean very different things in practice depending on location. In addition, it is hard to know if labour welfare initiatives described by bidders in tender responses are truly effective in protecting the rights of the work force. It is difficult to ensure standards are being consistently adhered to with an overseas supplier/subcontractor due to physical distance. There are not many third party verification options and contracting authorities are often forced to rely on suppliers’ (or subcontractor) self-monitoring and trust.”

Post-Contract Outcomes

The University’s sustainable procurement exercises and stringent procurement requirements helped to ensure the contract was awarded to a supplier—Ede and Ravenscroft (E&R)—with a strong CSR policy (please see edited summary below) and one who maintains high ethical standards along their entire supply chain.

Utilising APUC’s ‘Sustain’ tool, UoE is able to monitor and assess on an on-going basis E&R’s progress and commitment to the pre-defined ethical standards.
### Ede & Ravenscroft – Supply Chain CSR Policy Overview

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<th>Selection &amp; Sourcing</th>
<th>Ethical &amp; Environmental</th>
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<td>We work closely with our suppliers to ensure we source the highest-quality products and work towards our objective of full traceability. Building long-term relationships with our suppliers is important to us, and a number of these relationships span many decades. This close relationship enables us to foster sustainable design, enabling environmental impacts to be reduced upstream and products created that have longevity or are recyclable beyond their serviceable life.</td>
<td>The direct relationships we enjoy with suppliers allow us to ensure they follow a responsible code of conduct towards sustainability, and allow us to ensure that they and their employees are being paid a fair price for the product. Many of our suppliers are very small, and we support them to ensure a continuing supply.</td>
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<th>Slavery and Human Trafficking</th>
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<td>Ede &amp; Ravenscroft is committed to ensuring that there is no slavery, human trafficking or child labour in our supply chains. To this end, we have commenced a programme whereby we clearly set out to suppliers the expectations we have for our business partners. We also require our suppliers to set out their employment, remuneration and welfare policies which are reviewed carefully. If any suppliers fail to reach our standards then we will terminate our relationship with that supplier.</td>
<td>We work directly with our supply base and through regular meetings and visits, we ensure that the standards that we set are maintained. CSR is included in supplier profile documentation, ensuring there is a requirement for suppliers to state their CSR principles.</td>
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