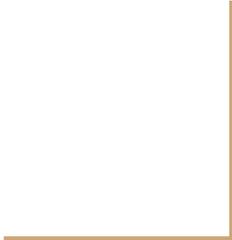




Benchmarking Supplier Operations

William Watson



Overview

What is Procurement?

Motivation for the Project

Past Projects

Current Project

Results

Conclusion

Procurement Services

Procurement Services purchases almost all goods and services used on campus

Uses bidding process to negotiate and determine large purchases

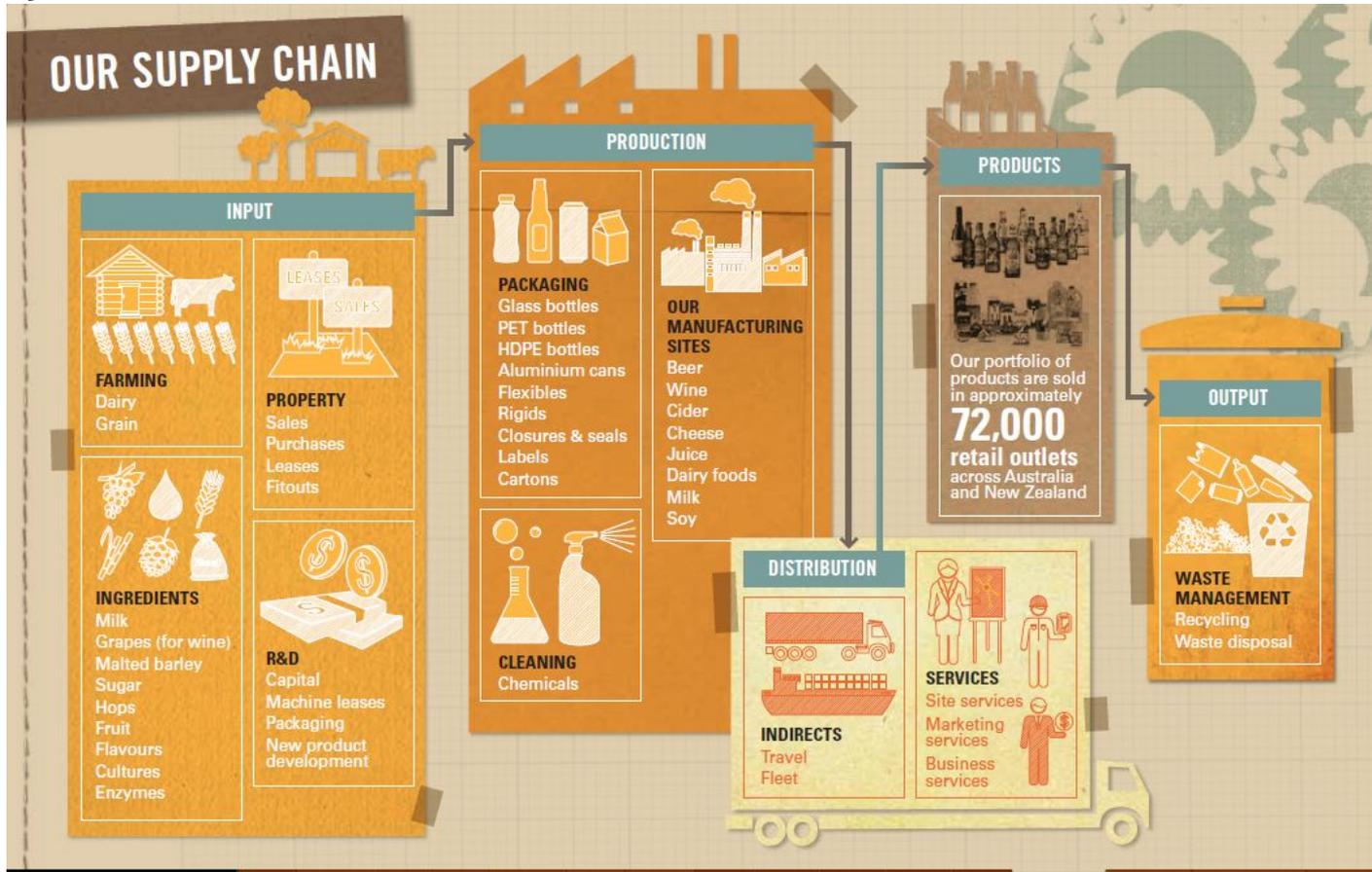
UCOP - "Procurement Services at UCOP partners with systemwide UC procurement teams to standardize agreements and procedures"

Supply Chains

Supply Chain - sequence of processes involved in production and distribution of a commodity



Supply Chains



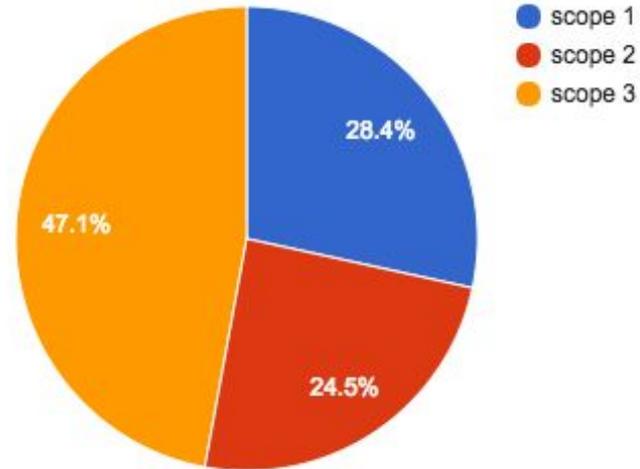
Source: <http://csr-reporting.blogspot.com/2014/07/120-sustainability-report-infographics.html>

Supply Chain Management

Supply Chain Management- managing the flow of goods and services, primarily to reduce operational cost and risk

Do not have data for purchased goods and services or waste generated

Emissions by scope



Motivation to Change

Campus and Systemwide Goals

Limited leverage of unified purchasing power

UCOP Sustainable Policy

Campus Sustainability Plan

UCOP Sustainability Policy

“the University will...

maximize its procurement of environmentally preferable purchasing products and services

leverage the University’s purchasing power and market presence to develop sustainable choices

integrate sustainability requirements into its practices for competitive bidding in materiel and services procurement

require all strategically sourced suppliers to present their organization’s continuous improvement with the development of sustainable products and operational practices

require all strategically sourced suppliers, and eventually all suppliers, to report annually on the qualitative aspects of their business operations “

Challenges Incorporating Sustainability into Procurement

We have policies in place but they are not being enforced

Suppliers and buyers may not have a clear understanding of policy

Inconsistencies among campuses on how they are implementing sustainability into their procurement operations (sometimes leads to duplication of effort)

Individual product level information varies by categories

Limited unity of UC purchasing power

Campus Sustainability Plan

Increase EPP purchases, Educate Campus, and Engage suppliers to develop sustainable practices and measure to standards

GOALS	OBJECTIVES
1. Increase the number of Environmentally Preferred Products (EPP) the campus purchases.	<p>Increase products flagged as Environmentally Preferable Products in CruzBuy by 5% from 2012 figure by end of FY 2016.</p> <p>Identify competitive pricing for 100% post-consumer waste 8.5x11 white multi-purpose printing and copy paper to provide an incentive for increased campuswide use.</p> <p>Increase EPP office supply purchases by 150% from 2012 figures by end of FY 2015.</p> <p>Create and implement a life-cycle cost analysis tool for campus buyers by end of FY 2016.</p>
2. Educate the campus community through effective outreach and collaboration to institutionalize sustainable procurement practices.	<p>Ensure Environmentally Preferable Product training is part of CruzBuy training and that responsibility for doing so is a stated performance objective for the CruzBuy help desk.</p> <p>Use the Staff Human Resources Learning Management System platform to share Environmentally Preferable Product information.</p>
3. Engage suppliers to develop strategies that promote sustainable procurement practices within the supply chain and measure those suppliers to agreed standards.	<p>Develop and utilize tool for benchmarking suppliers' sustainability profile by spring 2015.</p> <p>Incorporate metrics that capture suppliers' progress toward more sustainable business practices and operations.</p>

CSP Goal#3 Roadblocks

Supplier engagement

Transparency and visibility into our supply chain

Benchmarking and engaging Suppliers are the first steps to instituting policies achieving UCOP Sustainability Policy Goals

Used SupplyShift Platform to benchmark UCSD and UCSC suppliers

SupplyShift

Cloud-based supply chain management platform

Questionnaire library

Analytics

Scorecard Report

Reduces survey fatigue

UCSD pilot project

Scope

Top 20 Life Sciences Suppliers (manufacturers and distributors)

LS has high spend, most products are single use, generate waste and lack of market/industry standards for sustainability

Objectives

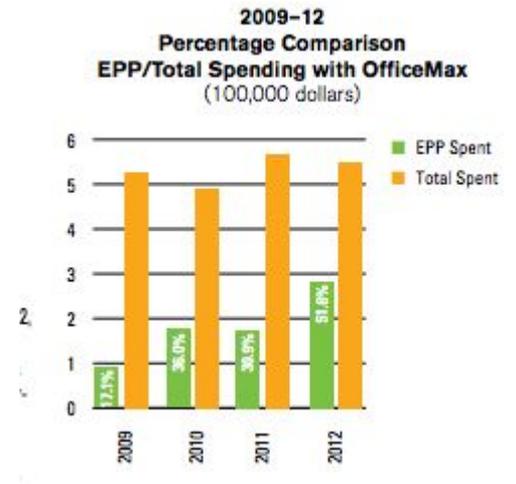
Increase awareness and visibility to the supply chain impacts of key suppliers

Increase transparency and supplier engagement

UCSC Procurement Sustainability

Carpet not being Recycled

Past projects by Procurement Services PSI interns:
 Increase EPP purchases and Benchmarking supplier operations



	OfficeMax Office DEPOT	RICOH	Northwest waters The Healthy Hydration Company	CED COMMERCIAL ELECTRONIC DISTRIBUTORS INC.	WAXIE SANITARY SUPPLY	DCI	hp HEWLETT PACKARD	HumanaScale	Inter
Does your company have an Environmental Policy Statement?	✓	✓	✓	✗	✓	✓	✓	✓	✓
Are there positions in your organization dedicated to advancing sustainable practices?	✓	✓	✓	✗	✓	✓	✓	✓	✓
Have you developed any green/sustainable programs?	✓	✓	✓	✗, ✓	✓	✓	✓	✓	✓
If so, do you have performance metrics/milestones to evaluate their effectiveness?	✓	✓	✓	Please see our GSV report for goals and targets we have set. A new report will be issued later this year.		✓	✓	✓	✓
Do you occupy any LEED certified buildings?	✓	✗	✓	✗	✓	✓	✓	✓	✓
Have you received any certifications for your green/sustainable business practices?	✓	✓	✓	✗	✓	✓	✓	✓	✓
Do you have policies in place to monitor and manage your supply chain regarding environmental issues?	✓	✗, ✓	✓	✗	✗	✓	✓	✓	✓

UCSC Project

Scope:

46 total suppliers across MRO, ITS, and Life Sciences categories

22 UC wide suppliers that incorporate sustainability reporting currently

20 UCSD Life Science suppliers (building trending data from UCSD pilot)

4 additional suppliers (supplier selected from last years project, new food supplier, UPS, and Mission Linen Supply)

UCSC Project

Objectives:

Built upon UCSD pilot and past PSI project

Increase awareness and visibility to supply chain impacts across MRO, ITS, and Life Sciences categories

Increase supplier participation in transparency projects and create collaborative partnerships with suppliers to achieve UC system goals

Built off Past Projects

			 <small>The Healthy Hydration Company™</small>	 <small>CONSOLIDATED ELECTRICAL DISTRIBUTORS, INC.</small>
Does your company have an Environmental Policy Statement?	✓	✓	✓	✗
Are there positions in your organization dedicated to advancing sustainable practices?	✓	✓	✓	✗
Have you developed any green/sustainable programs?		✓	✓	✗, ✓
If so, do you have performance metrics/milestones to evaluate their effectiveness?	✓	✓		✓

▶ Section : Governance

▶ Section : Climate

▶ Section : Suppliers

▶ Section : Product

▶ Section : Packaging

▶ Section : Feedback

Results

DQ	Name	Total	Governance	Climate	Suppliers	Product	Packaging
●	RICOH AMERICAS CORP	212	106	47	34	16	8
●	Steelcase Inc.	205	100	38	40	17	9
●	Interface Americas, Inc.	195	106	36	26	17	9
●	EMD Millipore (a division of M..	193	100	41	29	16	6
●	Canon USA, parent company ...	175	97	34	18	17	8
●	Ecoshift Development	71	49	7	12	2	0
●	CED dba Royal Wholesale Ele...	64	35	12	3	8	5
●	Eton Biosciences	62	36	2	6	9	8
●	Wasserstrom Company, The	17	6	4	2	0	5

Results

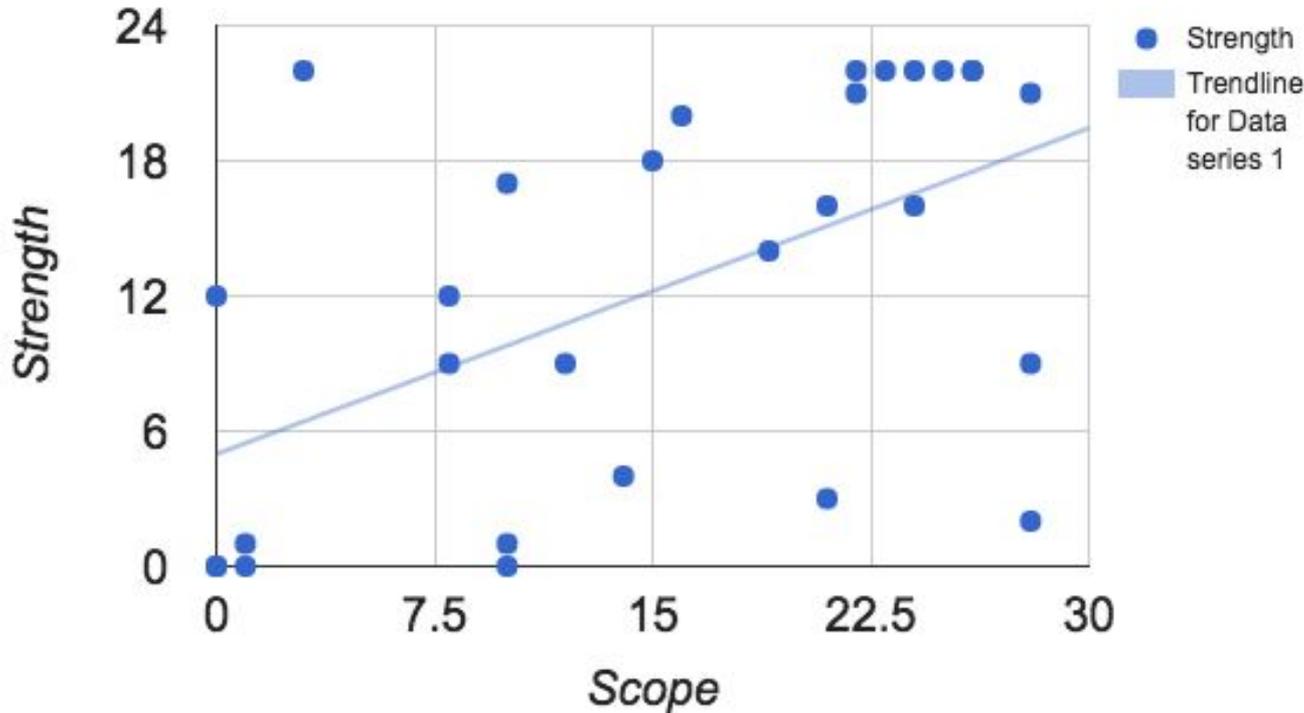
UC 1.4: Environment (Policy)

Q: Select all of the following goals or commitments that your organization outlines in a formal Environmental Policy or Environmental Management System.

A: Multi-Select

Color	Pts	Answer
Green	2	Reduce Energy Use
Green	2	Reduce Water Use
Green	2	Reduce Waste
Green	1	Reduce Non-GHG Air Emissions
Green	1	Reduce Water Pollution
Green	3	Reduce Environmental Impact
Green	2	Reduce GHG Emissions
Green	1	Material Recycling and Reuse
Green	2	Renewable Energy Use

Strength vs. Scope

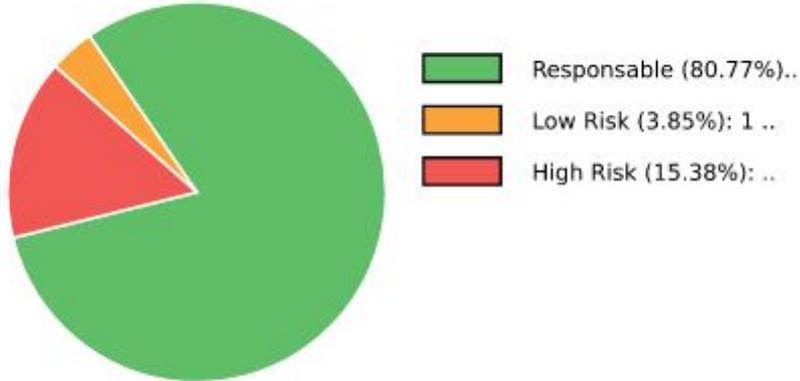


A: Multi-Select

Color	Pts	Answer
Green	4	Our policy or practices are certified through a third party certification organization
Green	2	We provide training on these policies, statements or documents
Green	2	We have a process for checking or auditing these policies, statements or documents
Green	1	We instruct the Board of Directors on the policy at least annually
Green	2	We instruct all newly hired workers on the policy
Green	2	We instruct managers on the policy on an on-going basis
Green	2	We instruct all non-managerial workers on the policy on an ongoing basis
Green	1	All policy instruction is communicated in the appropriate language

Results

UC 1.1: Environmental Management (Management Representative)

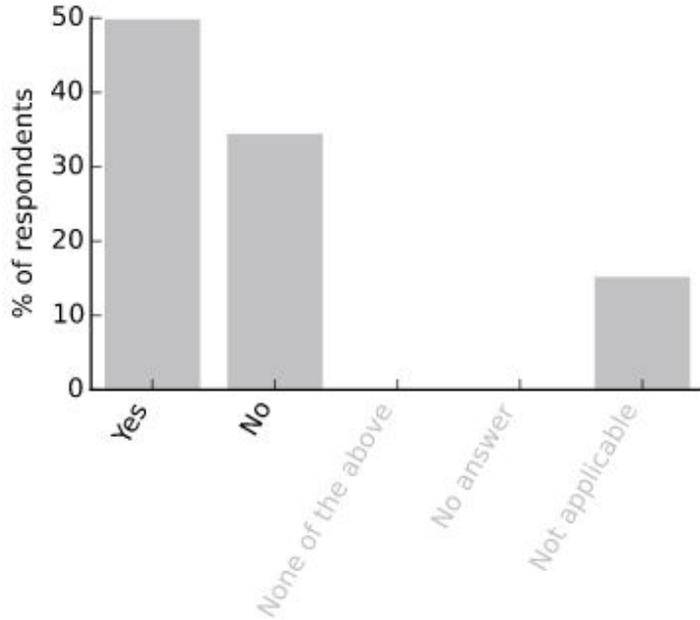


Target: Company
Groups: All Suppliers

Color	Pts	Answer
Green	4	Individual/Sub-set of the board or other, committee appointed by the board
Green	3	Senior Manager/Officer
Orange	2	Other Manager/Officer
Red	1	No individual or committee with overall responsibility for environmental protection or reporting

Results

UC 2.4: GHG (Policy)



Our organization has GHG emissions reduction targets

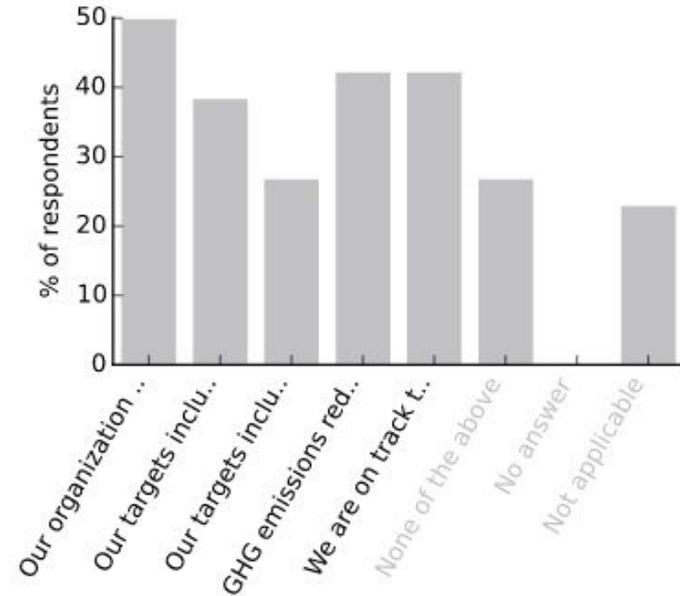
Our targets include an intensity-based GHG emissions reduction target

Our targets include an absolute GHG emissions reduction target

GHG emissions reduction target is publicly reported

We are on track to meet our GHG emissions reduction target

UC 2.5: GHG (Reduction Targets)



Results

UC 2.1: GHG Emissions (Scope 1 Absolute)

Group average: 293,924



UC 2.2: GHG Emissions (Scope 2 Absolute)

Group average: 384,979



Answer	%
Electricity	80.77
Natural Gas	69.23
Diesel Fuel	57.69
Electricity from Solar energy	46.15
Propane	42.31
Motor Gasoline	42.31
Electricity from Wind power	34.62
Electricity from Coal Power Plant	34.62
Electricity from Hydropower	30.77
Electricity from Nuclear Power Plant	30.77
Electricity from Biomass Incineration	23.08
Electricity from Natural Gas Power Plant	23.08
Electricity from Geothermal energy	19.23
Kerosene	11.54
Electricity from Landfill methane gas	7.69
Not applicable	3.85
Propylene	0.0
None of the above	0.0
No answer	0.0

Results

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Benefits

Benchmarked more supplier operations

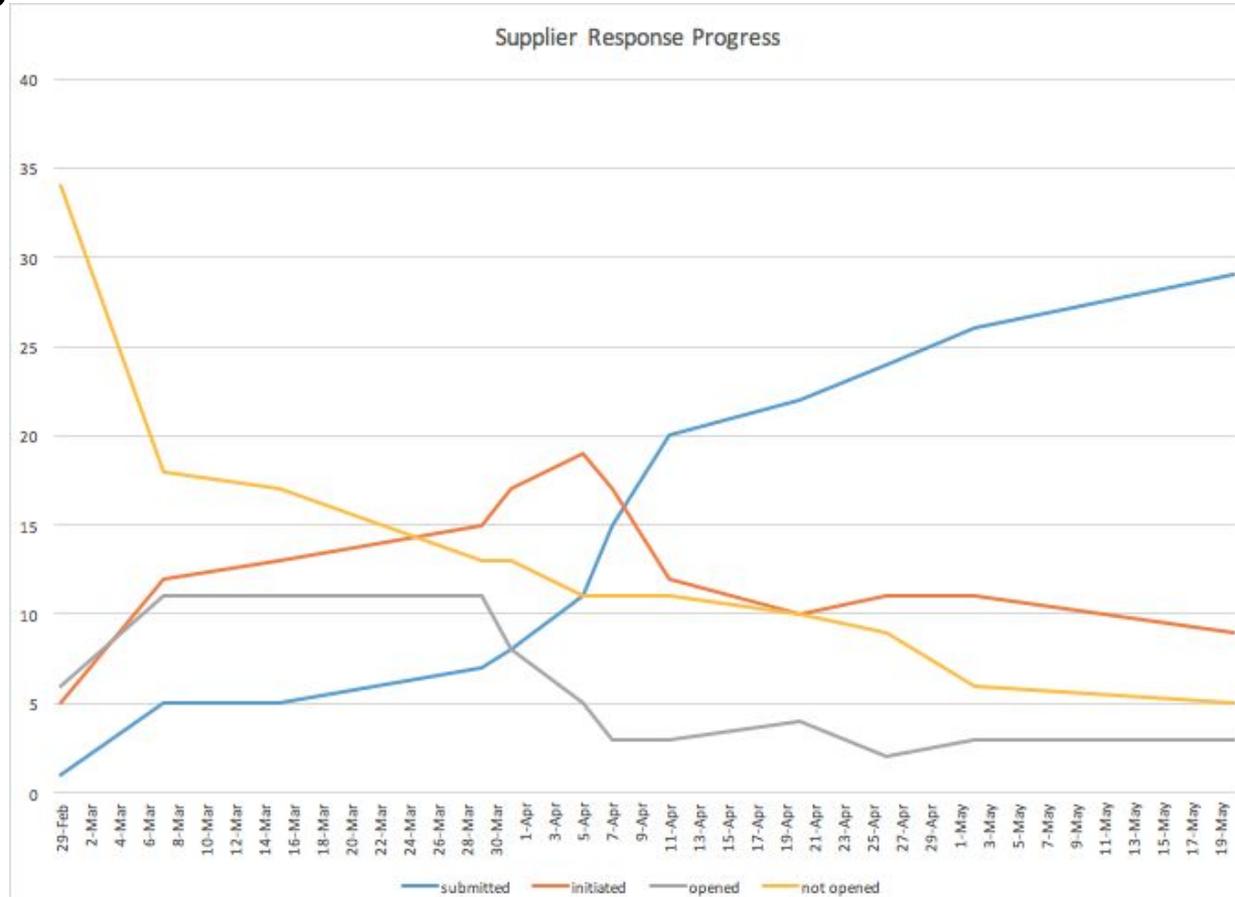
Two campuses leading change in sustainable procurement pressures UCOP to support and incorporate change as well

Have data to look into best practice suppliers and make recommendations to areas identified

Internal Challenges

Engaging suppliers

Focus transitioned
to benchmarking
versus making
change



Indirect Supplier Feedback

Inefficient project timeline (yearlong internship not aligning with Supplier public reporting)

Information needed from multiple departments (time and labor intensive)

Future Changes

Keep creating change at the forefront of the project vision

Different benchmarking platform

Look at more local suppliers

Utilize UCOP to integrate tool