Reducing the environmental impact of public procurement for healthcare

Towards purchasing real impact

CE Delft

Committed to the Environment

CleanMed Europe 2018

Creating Healing Environments

Reducing the environmental impact of public procurement for healthcare

- Ahmed Idhammad (CHU Marrakech): Carbon footprint in public procurement: Policy evaluation from a case study in the healthcare sector

- Anne Marie van den Berg (UMC Utrecht) & Lonneke de Graaff (CE Delft): Towards purchasing real impact

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1. Introduction UMC Utrecht

UMC Utrecht

A mission and strategic goals

The University Medical Center is a leading international academic medical center where knowledge of health, illness and care is generated, evaluated, shared and applied for the benefit of patients and society.

Social impact of our strategic programs

Connection with patients

CRS in UMC strategy

- Climate neutral in 2030
- Circular (no waste) in 2030

- In general: minimize our negative impact on environment and society for entire production chain

784.131 kg
recyclebaar afval

1.687.901 kg
niet-recyclebaar afval

48.716 ton CO_2 uitstoot


SUSTAINABLE DEVELOPMENT GOALS
1 NO POVERTY
2 ZERO HUNGER
3 GOOD HEALTH AND WELL-BEING
4 QUALITY EDUCATION
5 GENDER EQUALITY
6 CLEAN WATER AND SANITATION
7 AFFORDABLE AND CLEAN ENERGY
8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
10 REDUCED INEQUALITIES
11 SUSTAINABLE CITIES AND COMMUNITIES
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION
14 LIFE BELOW WATER
15 LIFE ON LAND
16 PEACE, JUSTICE AND STRONG INSTITUTIONS
17 PARTNERSHIPS FOR THE GOALS
SUSTAINABLE DEVELOPMENT GOALS

Procurement Department

450m spend per year

- 27 employees
- 13 strategical/tactical buyers
- 6 operational employess
- 2 assortment coordinators
- 1 Advisor Sustainable procurement
- 5 teams: medical, facility, laboratory, operational and staff

Introduction CE Delft

Independent research and consultancy since 1978

- Transport, energy and resources
- Know-how on economics, technology and policy issues

Characteristics

- 60 employees
- Not-for-profit
- Based in Delft, the Netherlands
- Clients:

Industries
(Small and medium size enterprises, transport, energy and trade associations)

Governments
(European Commission, European Parliament, regional and local governments)

NGOs

2. The why

Procurement contributions to achieving CSR Goals

Self assessment (2017): how are we performing as procurement department?

- ISO 20400:2017 → guideline sustainable procurement
- Gap analysis: where is potential for improvement?
- Main result: know where the real impact is!

Knowing about impact

- Which product groups have the most negative impact on the environment?
- Which product groups are at high risk for negative social impact?
- Which product groups are most relevant for achieving UMC sustainability goals?

What do you think??

Which product groups have the most negative impact on the environment?

Product groups
Medicines
Medical disposables
(Medical) equipment
Implants
Diagnostics
ICT
Food & beverages
Construction
Garments/textiles
Energy
Mobility
Waste collection & processing
Reusables (medical instruments)

3. The analysis & results

Approach

- Analysis of spend information
- Interviews + Data collection
- Desk research for social impact
- Calculation of the environmental impact

Quick scan analysis

- Life Cycle Analysis (LCA)
- Direct and indirect impacts
- The whole production chain (where possible)
- Software: SimaPro
- Databases: Ecoinvent, Agri-footprint, CE Generic data

Scope

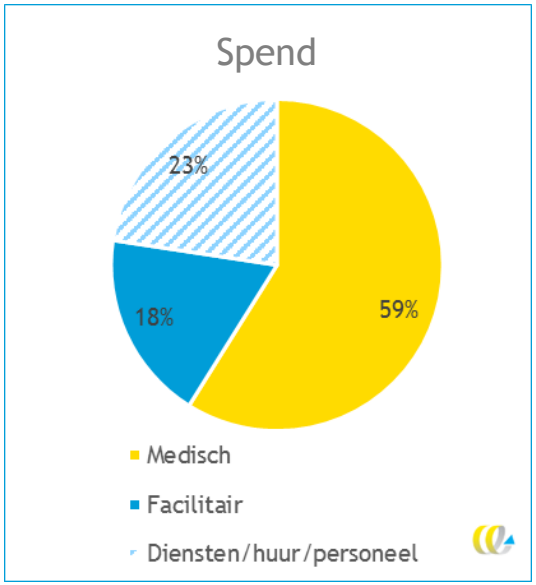
- Information on the year 2017
- Focus on both facility and medical product groups
- Services and software excluded

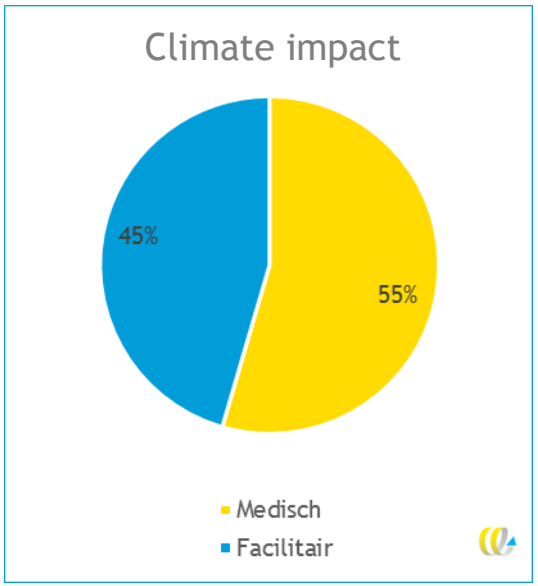
- **Facility**: calculation based on physical information (kWh, m^3, gas, km, kg, etc.)

- **Medical**: CO_2 footprint based on company reports

Spend analysis

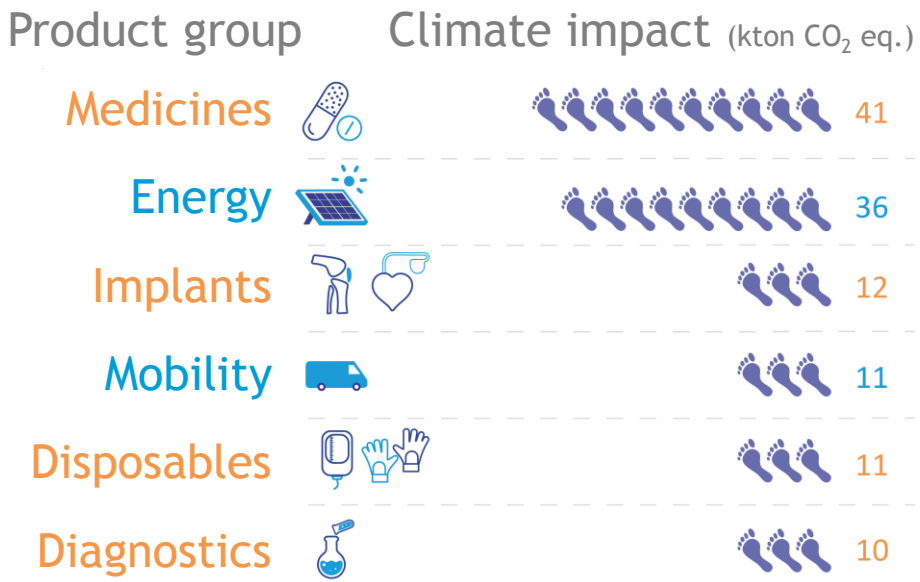
- Medical groups form the largest expenditures
- Services: 23% of spend
- Facility groups: 18% of spending, but from 45% of climate impact

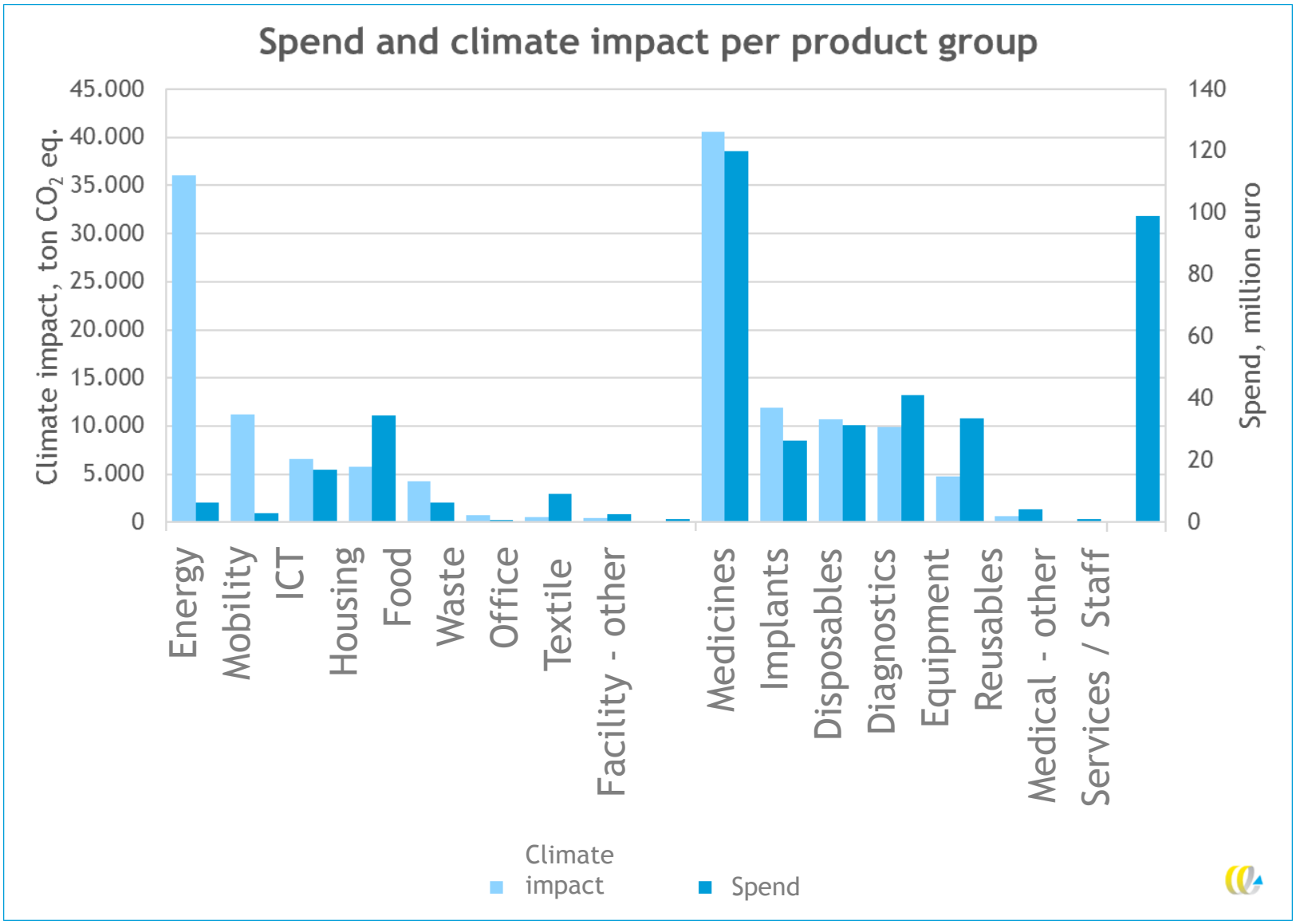




Climate impact

- 158 kiloton (kton) CO_2-eq. (= annual electricity use of 100,000 households)
- Medicines (41 kton, 28%)
- Energy (36 kton, 25%)




Spend and climate impact per product group
Climate impact, ton CO_2 eq.
45.000
40.000
35.000
30.000
25.000
20.000
15.000
10.000
5.000
0
Spend, million euro
140
120
100
80
60
40
20
0
Energy
Mobility
ICT
Housing
Food
Waste
Office
Textile
Facility - other
Medicines
Implants
Disposables
Diagnostics
Equipment
Reusables
Medical - other
Services / Staff
Climate impact
Spend

Circulair economy

- Resource depletion
- Highest impact: fossil deplestion of energy use

Human health

Energy (39%)

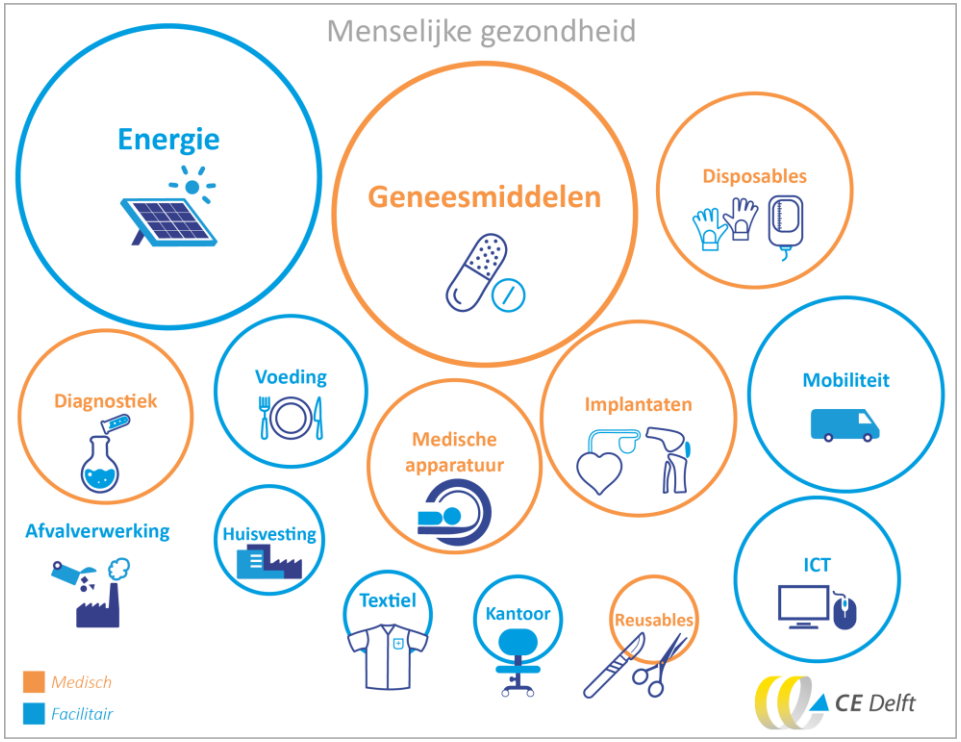
Medicines

Mobility (21%)

Implants

Disposables

ICT (17%)



Ecosystems

Energy (37%)

Medicines

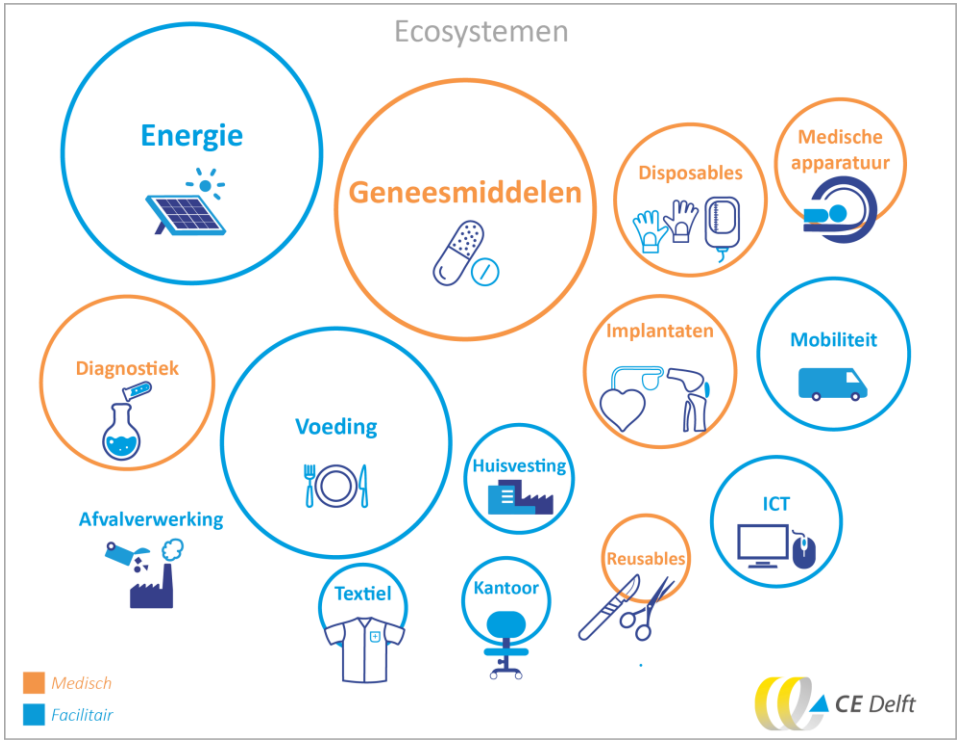
Food (30%)

Mobility (15%)

Implants

Disposables

Diagnostics



Social impact

Product groups: Medicines, ICT/equipment, Reusables, Textiles, Disposables

Risks residents: Health issues (pollution by toxic substances), contaminated environment, loss of land, loss of food, participation in clinical tests

Risks staff: Poor working conditions, unsafe work situations (inhaled dangerous substances, toxic substances, extremely high temperatures, loud noise, injuries), discrimination, forced labour, child labour, exploitation of women and migrants, low wages, overtime

What do we advise UMC to do?

- **Use less:** lengthen lifespan, ask for refurbished
- Ask your suppliers for their **vision on sustainability**
- Set **criteria** to your suppliers (energy, materials, transport) and select with award criteria

What to do for social impact?

- **Transparency:** Ask: where do the products come from?

- Ask for **certificates**: SA8000, Fair Labor Association (FLA), Business Social Compliance Initiative (BSCI)

- **Initiatives.** Work together for improvement
  - Responsible Mining Foundation and Synergy, 2018 (ICT)
  - Procurement of Medical Goods by Australian Companies and Government, 2017

What specific actions do we advise UMC?

- **Energy:**
  - Generate your own renewable energy
  - Purchase of equipment: energy efficient

- **Medicines**
  - Work together with partners (NFU/NEVI-zorg): certificates, audits, unannounced checks)
  - Discuss the issues with suppliers/health insurers
  - Try to find partners for a ‘Sustainable Paracetamol’ case

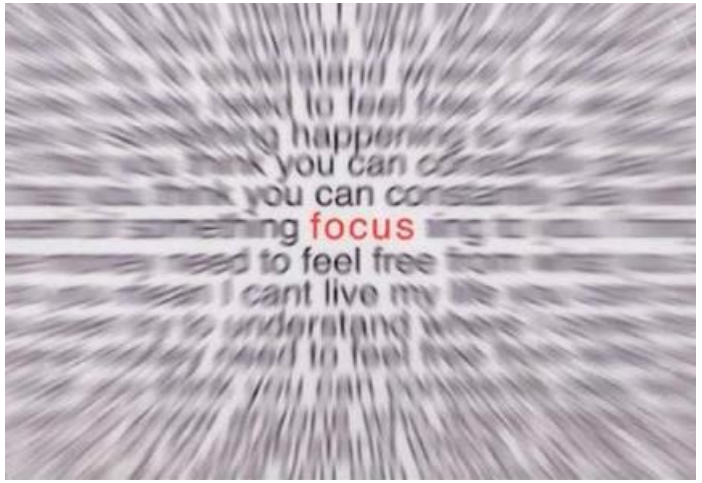
Shift in focus is needed

- More focus on Medical product groups!

4. Next steps

Tighten Sustainable procurement policy

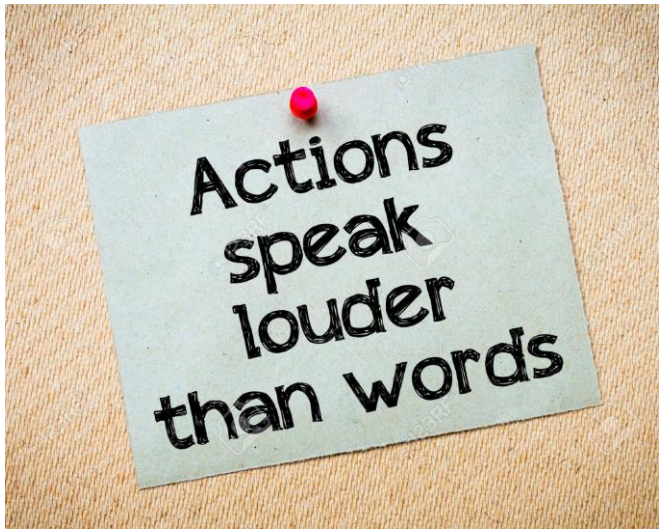
- Prioritizing certain product groups
- Follow-up study
- Strategy per product group



Implementation policy into tenders

- Determine procurement criteria:
  - Per sustainability issue/situation
  - Per product group

- Determine award method:
  - Per product group
  - Per tender



Contract management

- Record the sustainable promises of suppliers in a more concrete way
- Monitoring impact better

Long term boosting sustainability

- Driving suppliers to innovate
- Collaboration to join forces in healthcare: we all buy pretty much the same products from the same suppliers!!

5. Lessons learned & recommendations

- Registering different data
- Appointing a dedicated internal project leader
- Being aware that it is a quick scan, and not the absolute truth

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