

**Project:** Sustainable Procurement – Paul Toyne

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## SUSTAINABILITY

# How Bovis Lend Lease put its supply chain at the cutting edge

Paul Toyne explains the methods the firm used to get its suppliers on board for timber accreditation

### SUPPLY CHAIN

JENNIFER TAYLOR

Sustainable procurement is about two things: materials – what are they and how sustainable they are; and operations – how are goods and services delivered?

Contractors which accredit their supply chains can align suppliers' goals to their own and, in doing so, manage the risks. But it's no small task. As a construction company working in the UK, Bovis Lend Lease has more than 800 suppliers, including a top tier of about 300 that deliver the majority of the work.

"Our supply chain is everything to us," says Paul Toyne, head of sustainability at Bovis Lend Lease. "So we do need to collaborate."

In 2004, for example, Bovis Lend Lease set out a clear policy around timber and adopted the Forest Stewardship Council (FSC) certification system. This is a way of assuring the company that the timber it buys is legal and comes from a sustainably managed forest. The first step was to engage with people.

"We needed to articulate the reasons why we chose FSC, why it was a good thing to do, and what that actually meant for our business," says Dr Toyne.

"And we needed to get our contractors trained up to understand that and to distribute that information within our supply chain."

Back in 2004, very few of the firm's suppliers had FSC certification for a variety of their products.

"We had to be really clear in our understanding of the fact that we couldn't expect our supply chain to change overnight, and we had to work

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with them," says Dr Toyne.

Face-to-face meetings, seminars, workshops and conferences were held to raise awareness, and targeted training material was developed for internal staff, contractors and the supply chain.

#### The 'must haves'

Another crucial point was integrating the policy into the company's procedures – into bid and contractual documents, post-tender meetings to inform senior management of contractors, and into pre-start meetings to inform the site team.

"When they start up a new project, the 'must haves' are stipulated," says Dr Toyne.

"Our people will check and ask if timber is FSC certified. If it's not, and we've specified it should be, we don't want it." All of these efforts have enabled Bovis Lend Lease to gain visibility on the certification issue amongst its supply chain and its own people.

Having face-to-face meetings and talking to 300 suppliers was time-consuming, so the company has shifted

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to a systems-based approach, which is far more effective and efficient. Now 10 of its supply chain partners have achieved certification.

Change could not have happened without collaboration, says Dr Toyne. Internally, they needed project managers to sign up to it, and environmental co-ordinators on the sites to check documentation, stopping lorries coming in at the gates and looking for proof of chain of custody. Package managers also needed to be asking the right questions.

"We're now going through the phase of talking to our clients, our suppliers, and continuing the push there," says Dr Toyne. "And I think we're making tremendous progress."

That progress includes the

aply named Number One Wood Street, a development by Bovis Lend Lease for Land Securities, which is the world's first commercial project to achieve FSC certification.

"It means that all the permanent timber that we used in that project comes from FSC sources," says Dr Toyne.

But what are the benefits? "For Land Securities, it's the knowledge that they're doing the right thing but they can also market it," says Dr Toyne.

Investment analysts are saying that in time there will be a premium on buildings with green credentials.

#### Changing the spec

Dr Toyne adds: "Has there been an extra cost to the client there? Yes. Is it significant? No. Did we have to really push that hard to get them to want this? No."

Having an FSC policy has also allowed Bovis Lend Lease to change the specification. A client had chosen a timber because it liked the finish, but it didn't meet FSC standards.

After discussion Bovis Lend Lease was able to change the specification to FSC certified

timber, while matching the finish.

Dr Toyne says: "It's all about that collaboration, about looking at areas where we can change things."

The proportion of timber that the company uses from FSC-accredited or recycled materials has decreased. In 2004 it was 74 per cent and in 2007 it was 68 per cent.

But it has increased the coverage of its monitoring from up to 5 per cent of the business in 2004 to more than 95 per cent in 2007. The process has taught the company that getting people to understand why it is selecting or specifying particular materials is an important part of its communications.

Also essential is keeping up dialogue with the supply chain to prevent the process breaking down and ensure the company gets the supply it wants.

When it comes to waste, materials and design, Dr Toyne believes procurement is the key to it all.

"We've got a strong FSC policy, but that's not good enough. We want a strong policy on all our key construction materials," he says. "We need to start more vigorous engagement with our architects and designers."

To that end, Bovis Lend Lease's materials target says that, by the end of 2010, the procurement of key construction materials will be certified to a Bovis Lend Lease sustainability standard.

Dr Toyne hopes to reach a stage at which the firm can boast that it has a sustainable building, not just in terms of how the building operates, but in terms of its true footprint – where all the materials came from, how it has supported local communities, and so on.

He maintains that sustainability has to be on the procurement agenda at three stages: invitation to tender, tender analysis and in the award criteria.

"We really need to drive it in and home," he says. "We need to get our supply chain fully accredited, to provide us with peace of mind and to provide us with confidence."