



American University of Sharjah

Sustainable Procurement Strategy

Prepared by Supply Chain: procurement@aus.edu

PO Box 26666, Sharjah, U.A.E

Tel: +971 6 515 2175

www.aus.edu

Contents

- Objectives3
- Introduction4
- Supply Chain Department Compliances4
 - Economic Sustainability4
 - Fair trade, ethical trade4
 - Labour Rights4
 - SME Friendly5
- Risk management5
- Future process Improvements5
- Reporting6

Objectives

In conformation of the American University of Sharjah's (AUS) Corporate Social Responsibilities (CSR), Supply Chain Department (SCD) aims to:

- Minimize any negative impacts of the purchased goods/services across their life cycle
- Minimize demand for capitals and assets
- Protect local market and SMEs
- Ensure in contracts awarding, all submitted parties qualify based on employment and regards on the minimum basic rights enshrined in UAE federal and Sharjah states laws, as well as Sharjah Municipality rules.

Introduction

In AUS's SCD Policy and Procedure Manual, sustainable procurement is defined as the practice of integrating requirements, specifications and criteria that are compatible and in favor of the protection of the environment, of social progress and in support of economic development, through life cycle analysis. In accordance with the sustainable procurement policy, SCD shall:

- Favor sustainable materials and services, where applicable.
- Provide an equal opportunity to Small and Medium Size Enterprises (SMEs).
- Favor sustainable projects with greater energy efficiency, where cost and function are equivalent over the useful life of the goods/services.
- Introduce sustainability as requirement for vendor registration gradually.

In SCD the main question at the time of procuring goods/services is how purchasing the required good/service can contribute to economic, social and environmental well-being of the society? Sustainable procurement can deliver better economic, environmental and social outcomes. Within AUS, sustainable procurement can generate value for money and raise efficiencies (e.g. by managing supply risks and augmenting resource productivity levels) and lead to cost effective procurement.

Supply Chain Department Compliances

Economic Sustainability

SCD in AUS aspires to contribute positively to the economy of the society by seeking competitive local suppliers and labours. AUS effectively contributes to the local economic development and stability by adhering contracts payments in accordance with the contract's payment terms and encouraging fair trade, ethical trade in international purchases.

Fair trade, ethical trade

AUS has a fair amount of goods imported annually through trades with international suppliers. SCD differentiates fair trade from ethical trade yet complies with both as complementary approaches. Through ethical trade, SCD focuses on protecting labour's right through supply chain processes in developing countries, whereas with fair trade, focus is shifted to disadvantaged producers.

Labour Rights

AUS has never taken or will ever take parts in forced labour and human trafficking. In acquiring labour services in SCD, we assure basic rights, equality and anti-discrimination is strictly followed by our suppliers. As part of the UAE federal and Emirates of Sharjah labor laws, the service provider is responsible for:

- Healthy and safe living environment within properly facilitated labour accommodations

- Transportation arrangements with air-conditioned vehicles and proper pickup/drop-off schedules
- Safe and environmentally sound workplaces with all reasonable health measures
- Timely salary payment as applicable in the contract
- Work hours should be limited to 9 hours with 1 hour of break time for each labour

Furthermore, the supplier is required to identify and acknowledge the labour protected characteristics, such as: age, disability, marriage and civil partnership, race, religion and religious beliefs.

SME Friendly

In SCD we acknowledge the value of the Small and Medium Sized Enterprises (SMEs) to the local economy, hence, we assure that the University's procurement processes not only does not create any obstacles for SMEs but also encourages them to participate in tenders.

In line with the same, SCD ensures that local suppliers get the priority in procuring and tendering for products/services. The Department advertises the tenders to local market first and consider allowing stage payment to assist SMEs in their initial investments.

Furthermore, SCD is in the process of developing an e-procurement solution which would allow all the suppliers to register their details and after evaluation and administrative approvals, to be added to the AUS vendor list. This platform will provide an equal opportunity for SMEs to compete in University's tenders and contracts.

Risk management

SCD utilizes a sustainable procurement prioritizing tool to provide annual reports on non-sustainable products/services and consider improvements and enhancement in procuring process or contracting stage.

Future process Improvements

SCD will be working towards defining a sourcing strategy for when the local market is ready. Procurement products and categories are already recognized. For each commodity, there will be defined criteria for preferred and acceptable supplier with sustainable procurement considerations such as environmental certifications, KPIs, risk and compliance reports.

SCD carries out the current and future business such that it shields and builds a better future for the environment; pledging to reduce impact on the environment by recognizing and reducing resource utilization. Life cycle analysis will be used for categorized products/services for further cost reductions in purchasing planning, transportation and packaging. Future life cycle analysis will include:

- Acquisition costs

- Ownership costs
- Disposal costs

Each stage will include detailed information about operating design of the good/service, direct running costs, indirect costs, administration costs, recyclability and cost of disposal (if applicable). Environmental, economic and social costs will be evaluated and analyzed for each separately. Contracts will consider further opportunities for broader benefits to the community. These opportunities can be presented at the selection and award stage and contract terms and conditions.

To validate our commitment in SCD, we believe in a culture change that will bring about a sustainable business. In line with this, we believe that individuals need to be provided with training opportunities to practice these changes and inspire suppliers to follow sustainable measures.

Reporting

Supply Chain Department in AUS will be providing an annual sustainable procurement report to reflect a comprehensive depiction of the department's commitment to the university's corporate responsibility.