

SUSTAINABLE PROCUREMENT GUIDE

for local government in NSW

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FOREWORD

The Sustainable Procurement guide for local government in NSW was developed by Local Government NSW as part of the ESSTAM project in 2017. ESSTAM stands for the electronic sustainable spend tracking and measurement project which provided a feasibility study and pilot of electronic tracking of sustainable spend for councils in NSW. ESSTAM was a partnership project between Local Government NSW and the NSW Office of Environment and Heritage, funded by the NSW Environmental Trust.

Local Government NSW (LGNSW) is the peak organisation that represents the interests of NSW general purpose councils, associate members including special-purpose councils, and the NSW Aboriginal Land Council. The objective of LGNSW is to strengthen and protect an effective, democratic system of local government across NSW by supporting and advocating on behalf of members and delivering a range of relevant quality services.

The Sustainable Procurement Guide for local government accompanies the Sustainable Procurement awareness and instructional films released in May 2017.

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- Local Government NSW – Environmental Policy Team, Advocacy Division
- NSW Office of Environment and Heritage – Sustainable Communities group
- NSW Office of Environment and Heritage – Sustainability Advantage program
- Local Government Procurement

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The Sustainable Procurement Guide for local government in NSW was funded by the NSW Environmental Trust and will remain as a public document for the benefit of NSW and the wider community. Any reprint or publication shall be done with the explicit written authority of both partners, the NSW Office of Environment and Heritage and Local Government NSW.

ESSTAM together with Sustainable Choice is a partnership program between the NSW Office of Environment and Heritage and Local Government NSW made possible through funding by the NSW Environment Trust.

GLOSSARY OF TERMS

Eco-labelling - forms of product labelling: some are legally required (food or chemical labelling, material safety data sheet); others are government initiatives (energy rating labels); labels are also developed by private companies for marketing purposes; and other labels are developed by non-government organisations or not-for-profit organisations.

Economic impacts - total cost over the full life cycle of the product or service including the cost, quality, maintenance and repair costs and replacement parts.

Eco-washing - the practice of making false, misleading or deceptive claims about environmental and social practices or the environmental and social attributes of products or services.

Environmental impacts - pollution, energy use, water use, waste generation, use of toxic chemicals, impacts on air quality, biodiversity, land use and litter, climate change.

Circular economy - a framework to consider alternatives to 'take, make and dispose' when making a purchasing decision.

Good governance - traceability, accountability, reporting, leadership in the community, adherence to local government rules and regulations.

Life cycle assessment - a tool similar to whole-of-life costs which examines and quantifies impacts on the QBL of any purchase.

LCA - refer to life cycle assessment.

QBL - refer to quadruple bottom line.

Quadruple bottom line - the central framework of sustainable procurement and it relates to total cost and not just the upfront cost of a purchase. Rather than balancing the financial bottom line, it refers to balancing economic, environmental and social impacts, and maintaining governance requirements which meet organisational and community values and expectations.

Recognition programs and systems - developed by third-party organisations with established methods for assessing companies or products. Programs and systems with a clear criteria and industry status; can be useful to determine sustainability performance.

Social impacts - social procurement impacts can relate to the local community or wider society and include local employment, diversity, accessibility, ethics, cultural impacts and social cohesion.

Standards and certification - The International Organization for Standardization (ISO) provides requirements, specifications, guidelines or characteristics that can be used to ensure that materials, products, processes and services are fit for their purpose.

Supply chain - refers to the processes and activities involved with supplying a product or service - from growing or extracting raw materials through to manufacturing, transport all the way up to the end-user.

Sustainable procurement - takes into account the total cost - economic, environmental and social within a wider framework of good governance. These four factors are called the quadruple bottom line.

Whole-of-life cost - a method to examine and put a dollar value on impacts to the QBL of any purchase.

Community and social impacts - refer to social impacts.

INTRODUCTION

Sustainable procurement takes into consideration and responsibility for the **economic, environmental, social and governance** impacts of any purchase – products or services. These four factors are referred to as the **quadruple bottom line** and relate to a total purchase cost, and not just the upfront dollar expense.

More broadly, sustainable procurement considers the:

- cost and **economic** impact of the purchase
- **environmental** impact of the growth, manufacture and transport of the product or service
- **social** and ethical implications, and
- application of good **governance**.

The majority of impacts come from the **supply chain** across the globe and have previously been 'out of sight, out of mind'.

Sustainability is now an essential part of procurement - to ensure purchasing decisions are based on sound principles that maximise the benefit to society and meet community expectations while also protecting against reputation risks. The importance for the public sector to use sustainable procurement is even greater, as there is a duty to spend public funds responsibly and in a way that can stand up to the rigours of community scrutiny.

The combined expenditure of NSW councils is in excess of \$10 billion annually (Australian Bureau of Statistics, 2016) which presents significant sustainability risks and opportunities. The NSW local government sector is also bound by legislative requirements.

Sustainable procurement, applied to the scale of NSW councils' spending, represents a significant opportunity to drive social and environmental change throughout a wide range of not only direct suppliers, but also the associated supply chains.

All procurement can be sustainable and this document provides practical guidance which is specific to NSW local government organisations. It outlines information on key concepts, certifications, standards and processes and is designed for all council staff involved in any purchasing.

Whether tendering for a major project; making a standard purchase from a preferred contract supplier; or a simple one-off purchase, sustainable procurement practices should be routinely integrated.

HOW TO USE THIS DOCUMENT

Each section can be referenced separately or read in full to provide a more detailed understanding of sustainable procurement. The glossary of terms also provides a quick reference to language frequently used in sustainable procurement.

Additional resources and links are listed at the end of the guide to help users of this document find additional information. Below are some prompts to help identify where to start:

- *"I need to know the basics of sustainable procurement and the key concepts it includes". Start with What is Sustainable Procurement? And What are the Key Concepts of Sustainable Procurement?*
- *"I know the basic concepts but don't understand why I need to consider sustainability in my procurement decisions". Start with Why is Sustainable Procurement Important for Council Staff?*
- *"I am going through a procurement process but I am unsure how sustainability needs to be taken in to account at each stage". Start with What Does Sustainable Procurement Look Like in Practice?*
 - *"This Guide is too high level, I need more detailed information". Start with Where to Get More Information?*



WHAT IS SUSTAINABLE PROCUREMENT?

WHAT IS SUSTAINABLE PROCUREMENT?

For every purchasing decision made, no matter how large or small, there is an impact other than the upfront financial outlay. Sustainable procurement takes into account the total cost – **economic**, **environmental** and **social** within a wider framework of **good governance**. These four factors are called the ‘quadruple bottom line,’ referred to as QBL, which is at the heart of sustainable procurement.

There are a number of approaches to ensure sustainable procurement achieves a balanced QBL which are detailed in the following sections.

More details about the concept of quadruple bottom line are included in the section titled, *What are the Key Concepts of Sustainable Procurement?*

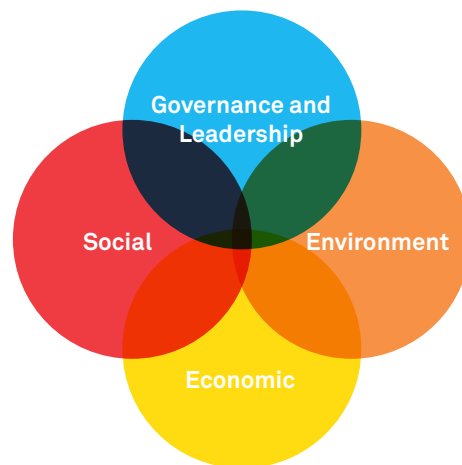


Figure 1. The four components of Quadruple Bottom Line (QBL)

Supply Chain

The supply chain, whether in Australia or other markets, is the main source of QBL impacts that effect sustainable procurement.

The supply chain refers to the processes and activities involved with supplying a product or service - from growing or extracting raw materials through to manufacturing to transport, and the end-user. They often consist of many separate companies linked by their role in generating the product or service.

FACT: Many separate companies in a supply chain add to the complexity of accessing sustainability information and balancing quadruple bottom line considerations

Looking at an entire supply chain can be complex. However, there are a number of certifications, tools and ways to simplify the process. To start, efforts can be focussed on a small number of priorities, or target the largest, most common or higher risk purchases. Unintentional risks could involve extreme behaviour from corruption to slave labour – with the potential to severely impact on reputation and inadvertently, fail to meet community expectations.

FACT: to balance or even consider the quadruple bottom line, information from the supply chain is needed

Key to success is clear, two-way dialogue with suppliers. When aware of a commitment to sustainable procurement and the information required, suppliers will understand the obligations to be met in order to continue a business relationship. This can be reinforced by making the provision of information a condition of purchase (through a formal tender or quotation process). Starting with current suppliers can help create momentum and gain practical experience before applying sustainable procurement to the wider supply chain.



Figure 2. Overview of a supply chain for a product

Principles for Sustainable Procurement

Consistent with the principles of NSW Procurement Policy Framework (2015) for government agencies, the international standard for sustainable procurement (ISO20400:2017) states that organisations should consider the following principles:

- **Accountability:** be accountable for its impacts on society, the economy and the environment including the impacts of the organisation's supply chain
- **Transparency:** be transparent about its procurement processes and how its decisions and activities impact on the environment, society and the economy
- **Ethical behaviour:** behave ethically and promote ethical behaviour throughout its supply chains
- **Full and fair opportunity:** avoid bias, and prejudice in all procurement decision making
- **Respect for stakeholder interests:** respect, consider and respond to the interests of stakeholders impacted by its procurement activities
- **Respect for human rights, the rule of law and international norms of behaviour:** be aware of any violations throughout its supply chains and actively encourage its suppliers do the same
- **Innovative solutions:** seek solutions to address its sustainability objectives and encourage innovative procurement practices to promote more sustainable outcomes throughout the entire supply chain
- **Focus on needs:** review demand, buy only what is needed and seek more sustainable alternatives first
- **Integration:** ensure that sustainability is integrated into all existing procurement practices to maximize sustainable outcomes
- **Life cycle costing:** consider the cost incurred, the value for money achieved and also the costs and benefits on society, the environment and economy, resulting from its procurement activities
- **Continual improvement:** work towards continually improving its sustainability practices and outcomes, and encouraging its supply chains to do the same.





**WHAT ARE THE
KEY CONCEPTS
OF SUSTAINABLE
PROCUREMENT?**

WHAT ARE THE KEY CONCEPTS OF SUSTAINABLE PROCUREMENT?

There are a number of key concepts important to sustainable procurement which are addressed in detail in this section. These are:

- **the quadruple bottom line (QBL)** – the central framework of sustainable procurement
- **whole-of-life costs** – a method to examine impacts on the QBL
- **life cycle assessment** – a tool similar to whole-of-life costs
- **circular economy** – a framework to consider alternatives to ‘take, make and dispose’ and
- **community and social impact** – considering options for positive societal impacts.

Quadruple Bottom Line

The quadruple bottom line (QBL) is at the heart of sustainable procurement. In contrast to balancing the financial bottom line, it refers to balancing economic, environmental and social impacts, and maintaining governance requirements which meet organisational and community values and expectations.

The history of the QBL has filtered down through international, national and local policy-making. Its predecessor, the triple bottom line (TBL) framework incorporated economic, environmental and social measures and was put forward by UK sustainability expert John Elkington in 1994. By 2007, TBL was ratified by the United Nations and the International Council for Local Environmental Initiatives, as the standard to be used in urban and community accounting under the UN’s Global Compact. Countries have since formally applied TBL or QBL practices to national and local-level procurement policies, regulations and best practice guidelines.

QBL Considerations	Questions
Social Impacts: local employment, diversity, accessibility, ethics, cultural impacts and social cohesion	• Does the purchase help to generate positive social outcomes? • Does the money stay in Australia, in town or help to create local jobs? • Is slave or child labour used? • Are workers’ pay and conditions acceptable? • Would the community be proud of supporting this business?
Environmental Impacts: pollution, energy use, water use, waste generation, use of toxic chemicals, impacts on air quality, biodiversity, land use and litter, climate change.	• Does the product use a lot of energy or water in its manufacturing? • Does it have a long way to travel? What mode of transport is used? • Could the product contain illegally logged timber? • Have toxic chemicals been used to make the product? • Will the product contribute to litter in my local area? • How will the product be disposed of at the end of its life – or is it re-usable? • Would the community be proud of supporting the environmental practices of these businesses?
Economic Impacts: cost, quality, maintenance and repair costs, replacement parts, total cost over the full life cycle of the product or service.	• Is the product or service within budget and does it provide value for money? • Is it a quality product that will last? • When it does require disposing, what are the costs, i.e. landfill costs or can it be re-sold at depreciation? • Would the community be proud of the value received for the cost of the product or service from this business?
Governance and Leadership: traceability, accountability, reporting, leadership in the community, adherence to local government rules and regulations.	• Is the purchase traceable, accountable, fair and equitable AND in accordance with the Local Government Act 1993? • Does the purchase meet internal policies, processes and training? • Would the community be proud of the process followed?

Table 1. The four areas of QBL and issues to be considered.

The different impacts across the QBL can be measured and translated to a financial figure. Financial costs of staff time or landfill expenses can all be accounted and should be considered, on balance, with the upfront cost. Even if some impacts can't easily be translated in to monetary terms, they should still be considered and estimated as part of the assessment of value for money.

Whole-of-Life Costs

Whole-of-life costing is a practical method to put a dollar value on all aspects of the QBL. It quantifies the full financial benefits by providing complete sustainability details addressing all phases of the life of the product or service.

Whole-of-life costing changes the procurement mindset from the “best value for money” to the “best value across the asset life cycle.” (International Institute for Sustainable Development, 2009)

Whole-of-life costing analysis is based on:

- purchase costs; and all associated costs such as delivery, installation, commissioning and insurance
- maintenance costs; ongoing costs required to keep an item or asset in good working order
- operating costs; costs including utilities such as energy and water use
- end-of-life costs; costs involved in removal, re-sale, recycling or refurbishment and decommissioning which may include the cubic cost to rent or buy landfill space
- longevity and warranty time frames of the asset (**International Institute for Sustainable Development, 2009**).

Incorporating whole-of-life costing into procurement processes provides the evidence needed to decide the best value for money product, asset or service across its life cycle – the environmentally and socially preferable option.

FACT: Purchases that are cheaper upfront are often lower quality or have shorter life-spans. Exceptionally cheap goods and services may also have hidden costs of unacceptable ethical practices

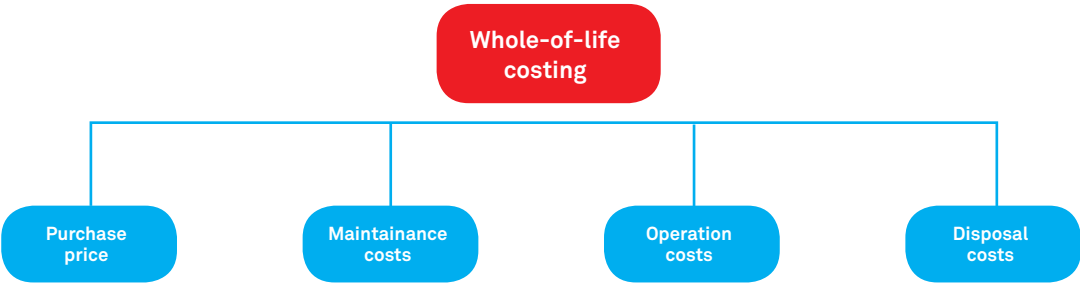


Figure 3. Overview of the components of whole-of-life costing (Australian Department of Sustainability, Environment, Water, Population and Communities (2013))

Whole-of-life costing can be performed by council staff. It can also be incorporated into tender or request for quote (RFQ) processes, by requiring prospective suppliers to include whole-of-life costing in their bid. Specialist consultants can be engaged to conduct an independent whole-of-life costing for new buildings, infrastructure and other complex assets, at the design phase, and apply the QBL to the life of the project or resource.

It may be difficult to request whole-of-life costings from suppliers for cash or card purchases. The principles can still be informally applied by considering the quality of a product, how long it will last, whether it consumes energy (and how much), maintenance costs and if it's disposable (landfill cost estimation) or can be re-used, recycled or re-sold.

To assist government organisations calculate whole-of-life, the Australian National Audit Office has made available the Life-cycle Costing Better Practice Guide. See the *Where to Get More Information* section a link to this guide.

Life Cycle Assessment

Similar to whole-of-life costing, Life Cycle Assessment (LCA) is an international standard framework for understanding, quantifying and communicating the environmental and social performance of products, services, processes, assets and organisations. It usually involves the engagement of an independent, external consultant who provides detailed information on the **environmental and social components of the QBL**. The LCA considers the complete life cycle, starting from the production of raw materials to the final disposal of the products, including material recycling. Prior to engaging a LCA, check with the supplier as the information may already be available.

LCA can be used to determine best environmental and social value for a full range of purchases that include chemicals, furniture, electrical equipment, food and beverage, paper and packaging. LCA is governed by the ISO 14040/44 standards and includes:

- Extraction of raw materials
- Product manufacturing
- Packaging and distribution
- Product usage/consumption
- End-of-life disposal.

LCA principles can still be applied without an external consultant, by:

- Comparing products across the full life cycle
- Compare 'apples with apples' – what is the function that each service or product is performing?
- Focus on key sustainability impacts
- Request specific data related to these key impacts (outlining the reporting units) from the suppliers
- Consider what will happen at the end of the products life.

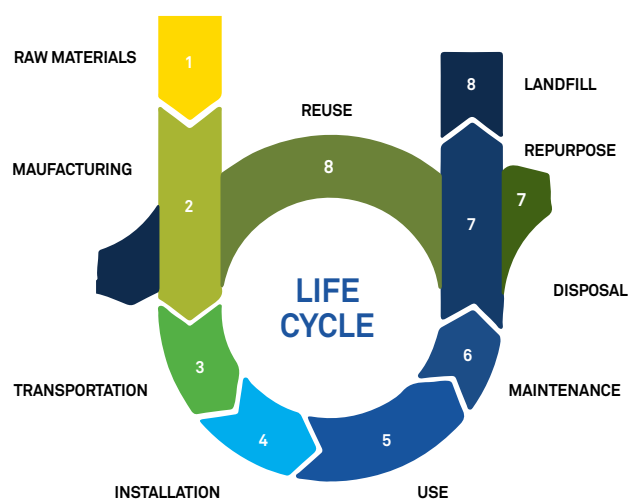


Figure 4. The various stages of a product's life cycle

Circular Economy

The circular economy is another key concept in sustainable procurement which looks beyond the 'take, make and dispose' and instead aims to create a closed loop. Rather than sending a product to landfill at the end of its life, it is reused, reprocessed or recycled into other products. The circular economy contributes to resource efficiency and low-carbon economy, reducing costs and supply chain risks, while generating economic and social value in the local community. This approach not only influences end-of-life recycling, but also design, logistics and the entire value chain (Ritchie, 2016).

When buying a product or service, a simple assessment can be made to understand if the purchase is 'circular' by requesting information from the supplier on product take-back services, lease agreements or improved design to minimise wastage (packaging and obsolete parts). This can ensure the resources used in the product are not lost to landfill but instead reincorporated into the economy. Councils often apply circular economy principles in relation to concrete, road base and vehicle purchases.

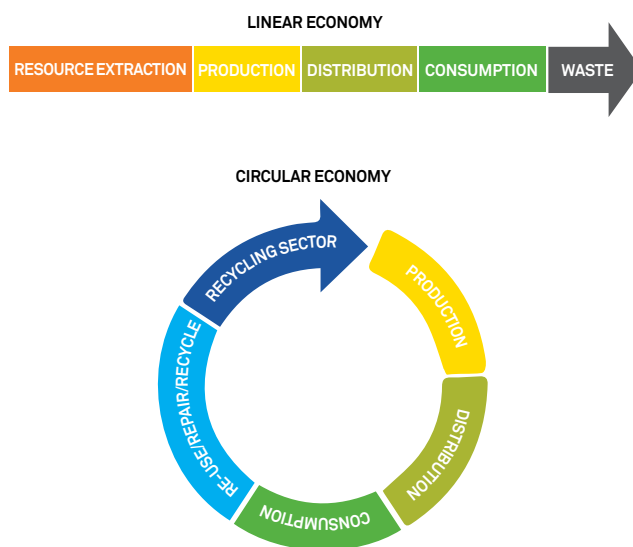


Figure 5. Linear Economy where products end up in landfill vs. Circular Economy where products are reused, reprocessed or recycled (image Sustainable Brands)

Key principles for incorporating the circular economy into purchasing decisions include:

Systems Thinking Principle: a holistic approach to understand how individual decisions and activities interact within the wider system – *how does this purchase impact the wider community, supply chain or region?*

Innovation Principle: organisations continually innovate to create value through the sustainable management of resources in products and services – *is there a better way to purchase this product or service that results in less resources being consumed or wasted?*

Stewardship Principle: organisations manage the direct and indirect impacts of decisions and activities across the system – *where will the product end up once it is no longer wanted or needs replacing?*

Collaboration Principle: organisations collaborate internally and externally through formal and/or informal arrangements to create mutual business value – *what other businesses or community organisations could collaborate with council to further leverage the purchase of this equipment or service?*

Value Optimisation Principle: organisations keep all products, components and materials at their highest value and utility at all times – *how can the product being purchased be maintained in a way that utilises its full value at all times?*

Transparency Principle: organisations are open about decisions and activities that affect the ability to transition to a more sustainable and circular mode of operation and willing to communicate these in a clear, accurate, timely, honest and complete manner – *what should the community know about the way the organisation purchases products and services?* (British Standards Institution, 2016).

FACT: Be aware of eco-wash when asking organisations about decision making processes and activities related to sustainability

Sustainable Procurement in Practice – Circular Economy

Procurement of corporate uniforms. In the past, corporate uniforms were purchased by procurement staff, distributed to users and disposed of at the end-of-life. In some cases, the items are recycled through a rebranding process and charity store, or made into rags or other products. The circular economy model now sees suppliers take back uniforms at the end of life and reprocess them into fibre that can be reused in further uniform production or as a lower-value product.

These approaches apply the stewardship principle of the circular economy involving the management of impacts throughout a product life cycle (with a focus on end-of-life solutions). The approaches share the responsibility of resource recovery with the user, supplier or manufacturer. They also play a powerful role in managing potential environmental impacts when a product becomes obsolete or waste.

Product stewardship contracts generally involve leased or purchased items:

- **Leased Item:** Supplier agrees to collect item at the end of the lease for re-lease, re-use or recycling
- **Purchased Item:** Supplier agrees to collect item at the end of use for re-lease, re-use or recycling

Community and Social Impact

Community and social procurement impacts can relate to the local community or wider society. Local community considerations which can be applied to sustainable procurement include the:

- opportunity for small to medium local enterprises to tender for work
- employment impacts of locally produced products
- inclusion of diversity or other social priorities.

The key to addressing local community impacts is to first understand the local social priorities. Councils' values and mission statements usually require staff and the community to consider social outcomes. In addition, councils often have social policy officers, or access to social impact specialists through organisations like Local Government NSW. An understanding of the social priorities of the community can ensure procurement decisions align. If unemployment is an area of focus for example, specific requirements for local job opportunities or diversity in the workforce can be a supplier condition.

Sustainable Procurement in Practice – Social Impact

New life to old mattresses destined for landfill. Mission Australia solved a high-cost issue for local governments regarding the disposal of old mattresses to landfill. Every year millions of mattresses end up in landfill and are one of the most common items placed out for council collection.

Mission Australia partnered with SITA recycling centres to divert around 100,000 mattresses from landfill over the space of 10 months. The project had positive social and environmental impacts:

- **Social:** the program created jobs and training for 65 long-term unemployed. As a result of the success of the program, Mission Australia started a social enterprise called 'Feather Weight' which uses recycled mattress materials to fill punching bags. It also employs 12 young people with disabilities.
- **Environmental:** the material diverted from landfill included 141 tonnes of steel, 39 tonnes of timber, 21 tonnes of foam and 36 tonnes of textile wadding.



Wider social impacts to consider may include fair working conditions in offshore factories or modern slavery within the supply chain of a product. Supply chains usually consist of many separate companies and social impacts may not be under the direct control of the end supplier. A lack of supplier knowledge can inadvertently put an organisation at risk of being involved in unethical practices. It is the responsibility of the purchaser to ask questions and not assume good governance is being used without adequate information.

There are social enterprises that assist organisations with purchasing choices that support community needs. The objectives of social enterprises range from local economic development, to sustainability, community engagement, fair trade, targeted beneficiaries such as public housing tenants, long term unemployed, people with disabilities, migrants and refugees, youth, and women. **Social Procurement Australasia** (SPA) raises awareness of social procurement and connects buyers with practical information and resources. SPA produces guides, case studies, research and lists of social enterprises for procurement purposes on its website.

**RULES AND
LEGISLATION
COUNCILS MUST
CONSIDER**

RULES AND LEGISLATION COUNCILS MUST CONSIDER

Local Government Act 1993 (NSW)

The individual approaches of NSW councils to sustainable procurement are underpinned by the **Local Government Act 1993 (NSW)**. **Section 55** of the Act requires councils to apply good governance to procurement activities. In the context of sustainability, it is reasonable to expect good governance includes consideration of economic, social and environmental impacts.

In **Section 8A**, the Act clearly refers to councils' duty to "properly consider the principles of ecologically sustainable development" in decision making. The importance of the QBL is recognised by the NSW Office of Local Government, which has explicitly incorporated these principles into a number of its frameworks, particularly in relation to planning and reporting.

Local Government (General) Regulation 2005 (NSW)

To ensure high-value contracts are awarded fairly, NSW councils are required to undertake a tender process for contracts with greater than \$150,000 or use a prescribed tendering service under the **Local Government (General) Regulation, 2005 (NSW)**. Organisations such as **Local Government Procurement (LGP)** and **Procurement Australia (PA)** provide support to help councils meet regulatory obligations, including establishing contract panels, accessing consulting services, undertaking professional development and implementing effective contract management.

NSW Procurement Policy Framework for NSW Government Agencies

The *NSW Procurement Policy Framework* for government agencies provides guidance relating to sustainability in procurement. It states that sustainable procurement achieves the government's commitment to spend public money, efficiently, economically and ethically. This policy framework also states that it is mandatory to consider value for money across the whole lifetime of products and services.

Tendering Guidelines for NSW Local Government 2009

The tendering guidelines for NSW local government, require the consideration of value for money across the whole life of a product or service. **Department of Premier and Cabinet – Tendering Guidelines for NSW Local Government, 2009.**

Local Councils' Policies and Vision Statements

The vision and mission statements of all NSW councils are consistent with the principles that underpin sustainable procurement with a commitment to use the community's money wisely and deliver products and services in a financially, environmentally and socially sustainable way.

Penrith City Council, for example, has tender guidelines which state:

The principle of value for money does not mean that Council will automatically select goods and services with the lowest price. Council will balance all relevant factors including initial cost, whole of life costs, quality, reliability and timeliness to determine actual value for money. Our tendering aims to promote honesty, transparency and integrity, and protect the public's interests. (Penrith City Council).



Figure 6. Sustainable Procurement diagram from Inner West Council (Marrickville)

**WHY IS
SUSTAINABLE
PROCUREMENT
IMPORTANT FOR
COUNCIL STAFF?**

WHY IS SUSTAINABLE PROCUREMENT IMPORTANT FOR COUNCIL STAFF?

The NSW local government purchasing is bound by legislative requirements. NSW councils' combined expenditure is in excess of \$10 billion annually (Australian Bureau of Statistics, 2016) and is made up of large tendered expenditure, such as infrastructure, through to small cash or card purchases. There are thousands of council staff involved with purchasing. The scale of NSW council expenditure offers an opportunity to leverage social and environmental changes across a wide range of suppliers through the use of sustainable procurement practices.

All procurement can be sustainable and should be considered by all council staff involved in any purchasing. Whether tendering for a major project; making a standard purchase from a preferred contract supplier; or a simple one-off purchase, sustainable procurement practices should be routinely integrated.

The **Sustainable Choice** and **Sustainability Advantage** programs provide examples of how public procurement initiatives can be a positive market influence; increasing competition, informing consumer choice and promoting a more structured, efficient and evidence-based approach.

Global commitments

Each purchase made, and each contract signed, exposes councils to economic, environmental, social and governance risks – in a local and global context. International policy developments, such as the Paris Agreement of 2015, provided overarching global commitments to address the impacts of climate change. As custodians of public funds, a council's procurement activity can have a direct contribution either positively or negatively to local and global commitments. It is sensible to assume that evidence of unethical spending – for example unintentional links to child labour or environmental harm will not go unnoticed. Appropriate application of QBL principles to all levels of purchasing is a prudent investment to help ensure a balanced approach to decision making.



HOW TO COMPARE PRODUCTS AND SERVICES

HOW TO COMPARE PRODUCTS AND SERVICES

There are many standards, labels, certifications and declarations which are designed to help people make informed purchasing decisions. Using the key accreditation identifiers allows for a quick comparison of products and services against purchasing policies and criteria. There are four key areas detailed in this section:

- Standards and certification
- Eco-labelling
- Recognition programs and systems and
- Detecting eco-wash.

Standards and Certification

The International Organization for Standardization (ISO) provides requirements, specifications, guidelines or characteristics that can be used to ensure materials, products, processes and services are fit for their purpose (ISO, 2017). International Standards are important because they set consistent and recognisable criteria that can be used to verify claims from organisations throughout the supply chain. This may be especially useful when dealing with international supply chains.

If a product, service or company has ISO accreditation, it has met the specific requirements and been independently verified. While there is no standard to display ISO certification, the words 'ISO certified' and images shown in Figure 7 are often used.

Australian Standards which set out criteria specific to Australia (likely to relate to quality and safety) may also be applicable to a product or service.

Eco-Labelling

There are different forms of product labelling: some are legally required (food or chemical labelling, material safety data sheet); others are government initiatives (energy rating labels); some labels have been developed by private companies for marketing purposes; and others have been developed by non-government organisations (NGOs) or not-for-profit organisations.

Eco-labels relate to three kinds of ISO categories for voluntary labels which are detailed below:

- Type I – environmental declarations established by third-parties
- Type II – environmental declarations which are self-declared, not requiring third-party certification
- Type III – environmental product declarations – which don't verify that environmental performance is good but provides the information in a standard form.



Figure 7. Example of logos indicating ISO Certification

Type I – Third Party - ISO 14024

An **eco-label** gives environmental information about a product or services to help consumers make purchasing decisions.

Eco-labels	Description	Symbol
Energy Rating Label	A joint Australian and State/Territory government program to reduce greenhouse gas emissions. This mandatory labelling program allows consumers to make comparisons in energy performance of appliances.	
Energy Star	An international standard and label for energy efficient electronic equipment. This was created by the US Environmental Protection Agency (1992) and adopted by several other countries, including Australia. The Australian Federal, State and Territory Governments cooperate through the national ENERGY STAR program to encourage the use of energy efficient equipment in homes and businesses.	
Water Efficiency Labelling Scheme (WELS)	WELS is an Australian and New Zealand water efficiency labelling scheme that requires certain products to register their water efficiency. The scheme operates in accordance with the standard set under the <i>Water Efficiency Labelling and Standards Act 2005</i> in Australia.	
FSC or PEFC	Forest Stewardship Council (FSC) for the Endorsement of Forest Certification (PEFC) recognises the sustainability of paper and timber products. Both promote sustainable forest management through third-party certification. FSC is a global standard adapted to the national level for implementation. PEFC is an umbrella organisation that recognises national certification schemes which, in Australia is the Australian Forestry Standard. Suppliers can be asked to provide FSC or PEFC certified products only.	
Fair Trade	The use of the Fair Trade label is independently audited by FLOCERT (which is global certification and verification body). Certification indicates the resources, ingredients, products and producers have met social, environmental and economic standards. These standards commonly include: protection of workers' rights and children; preservation of the environment; payment of fair prices; and reinvestment in local communities or business development. Fair Trade certification can be found on a wide range of products and is broadly used for food, beverages (particularly coffee), tea and chocolate.	
Window Energy Rating Scheme (WERS)	The Window Energy Rating Scheme relates to window glazing and the annual energy impact on a whole house in any climate of Australia. Assessments are made by a rating organisation, accredited by the Australian Fenestration Rating Council. Used when assessing construction or maintenance tenders; alternatively specified in tender documentation.	
GECA	Good Environmental Choice Australia (GECA) is the only local independent, not-for-profit, multi-sector eco-labelling program. The certification program develops standards against which products and services can be independently audited. Standards align with ISO 14024 principles for global best practice in eco-labelling. The GECA website lists thousands of certified products and services.	
Green Tag	An internationally recognised eco-label which independently verifies products under one of two certification programs which use internationally recognised scientific methods.	
Ecospecifier Global	Ecospecifier is a knowledge base of over 3500 eco-products, eco-materials, technologies and resources and is the leading global source of sustainable development and life-cycle assessed green product information. Ecospecifier website provides a list of certified products.	
Vinyl Council of Australia	The Best Environmental Practice (BEP) PVC trade mark is awarded to compliant compliance is assessed on evidence of an independent compliance assessment, in accordance with the Green Star's Responsible Sourcing of Building Materials, and Verification Assessment Guidance document for Best Practice PVC. Purchasers can stipulate certification when assessing PVC suppliers.	
Responsible Care (Chemistry Australia)	An initiative of the global chemistry industry to drive continuous performance improvement and support the role of chemistry in creating a safer, more sustainable world. Product stewardship is central to the program, focussing on communities and environments in which the industry operates. This certification could be stipulated in the purchasing of chemicals.	
Australian Made	Australian Made (or Grown or Produced) is registered certification trade mark with a strict code of practice governing its use. Products must be registered and meet relevant criteria. This is useful when selecting products with positive social attributes.	

Table 2. Type I - Third Party ISO14024

Type II – Self-declarations - ISO 14021

These claims are less useful for making decisions. Logos indicating recyclability are not independently vetted and may be misleading.

Self-declaration environmental claims are made by the manufacturers, importers or distributors about their own products. They are not independently verified, nor do they use pre-determined and accepted accreditation criteria. ISO14021 does provide guidance on self-declaration of environmental claims which commonly include: biodegradable; compostable; recyclable (with a symbol); recycled content or contains post-consumer material.



Figure 8. Resin Identification Code system used to label plastics.

Type III – Environmental Product Declarations ISO 14025

A Type III Environmental Product Declaration (EPD) is a registered document that provides relevant, verified and comparable information about the environmental impact of goods and services. It is likened to an environmental version of a nutrition label, as it lists the impacts of a product without indicating whether they are positive or negative. If two products have EPDs, a comparison of the environmental impact tables can be made.

Recognition Programs and Systems

Recognition programs and systems are developed by third-party organisations that have established methods for assessing companies or products. The main difference, when compared to standards and labels, is that they are not governed by international standards. Recognition programs and systems with clear criteria and industry status, can be useful to determine sustainability performance.

Program	What is it and when to use it	Symbol
Indigenous Business Australia and Supply Nation	A commercially-focused government organisation that encourages economic independence for Aboriginal and Torres Strait Islander (ATSI) peoples. The program assists with access to skills, knowledge and resources required to grow viable and sustainable businesses. Supported businesses have gone through eligibility screening. The program does not provide certification but works closely with Supply Nation which provides a directory of businesses operated by ATSI people. Businesses registered with Supply Nation and displaying the logo, employ ATSI peoples.	 
Sustainable Choice	Sustainable Choice is a membership-based support program for councils in NSW. The Sustainable Choice Database is a product of this program and lists sustainable products and services that have been assessed and approved using ten sustainability indicators. The database can be searched by keyword, category, product/service and sustainability indicator. Icons for relevant green indicators are attached to a company or its products on the database. Recommended environmental certification of green products includes: AAA rating, energy star rating, Energy Allstars, Good Environmental Choice Australia (GECA), Forest Stewardship Council (FSC), and Fairtrade.	
Sustainability Advantage	Sustainability Advantage is a NSW Office of Environment and Heritage program for encouraging and enabling sustainability practice in medium to larger organisations. The program offers its members a number of modules and workshops, including Sustainable Procurement, to assist them in their environmental journey. Members of the Program are able to display the Sustainability Advantage logo. The colour of the logo (bronze, silver or gold) indicates the status of environmental and CSR excellence achieved.	
Social Procurement Australasia	Committed to advancing social procurement in Australia and the Asia-Pacific. Supports organisations wanting to make positive social impacts with purchasing. The website provides resources, case studies and lists of supplier businesses.	
Recycled Content	The standard recycling symbol is a waste initiative which indicates the product is recyclable. While there is no standard logo for recycled content, labelling can state 'certified recycled content' which may refer to a portion, the entire product, packaging or the whole item. Products may also state '50 per cent recycled content' or 'packaging is made of recycled content' for example.	No standard logo for recycled content. The recycling symbol indicates the product can be recycled. 

Table 3. Recognition programs and systems

Detecting Eco-wash

Awareness of eco-wash is important for effective sustainable procurement as claims from suppliers and manufacturers might not always be authentic.

How to avoid eco-wash?

Helpful points to consider when comparing and assessing environmental and social claims:

- **Understand what environmental or social impacts matter for the product being considered** – Are the goods made from virgin material (extracted from nature in a raw form - timber, metal ore and oil)? Will the product need energy or water in operation? Could the product contain toxic substances? Will disposal be expensive at end-of-life? The answers will support making an informed decision.
- **Look for transparency** – companies committed to sustainability will readily provide information on all aspects of their products and services.
- **How is sustainability addressed by the manufacturer or supplier?** – rather than just one or two aspects, all social and environmental impacts of products should be considered.
- **Look for third-party certification** – identify labels, certifications and standards that are independent and verified. Include requirements in tender specifications and in contract arrangements. Avoid products with vague or unsupported claims such as environmentally friendly, low carbon and natural.
- **Engage with suppliers** – build relationships with suppliers to ensure the commitment to sustainable purchasing is understood.

WHAT IS ECO-WASH?

Eco-wash is the practice of making false, misleading and/or deceptive claims about the environmental and social practices of a company or the environmental and social attributes of its goods and/or services.

This includes environmental and social claims that are inaccurate, vague, irrelevant or false or do not tell the full story about the impacts of the goods or services. These claims can include direct statements, logos or images associated with the goods or services.

Examples of claims	Examples of products/ services	Why the claim could be eco-wash	How to avoid being eco-washed
Sustainably managed forests, plantation grown (indicated by text or images)	Paper, paper products, timber products	Unless claims are supported by a recognised third-party certification, there is no guarantee that the trees were grown and harvested in a way to minimise environmental impacts.	If using paper made with virgin fibre, insist on a verifiable source. Ways of verifying the source include FSC and PEFC certification
Biodegradable, compostable, degradable	Garbage bags, disposable cutlery and crockery, stationery items	Goods marketed as compostable often require industrial composting facility conditions rather than those found in domestic composting. While many materials will biodegrade or degrade over time, a substantiated claim is needed to prove environmental benefit. Goods made from biodegradable or degradable plastic may not break down in certain conditions such as landfills. Understanding of how a product degrades is also required.	Ensure that the goods have been tested against a recognised standard – e.g. cleaning products should be readily biodegradable according to AS 4351. Ask whether biodegradable goods have been proven to biodegrade in landfill and if compostable goods pass the standard in domestic compost (if that is the intended disposal method).

Examples of claims	Examples of products/ services	Why the claim could be eco-wash	How to avoid being eco-washed
Natural (e.g. 'made with natural ingredients')	Cleaning products, paint	Natural goods and/or ingredients also have environmental and/or human health impacts. Natural is not necessarily an environmental benefit. For example, arsenic is naturally occurring and is highly toxic.	It is better to that claims of 'natural' be discounted. Other evidence that the goods are environmentally preferable should be obtained (e.g. they meet relevant standards or have certification).
Carbon neutral, climate friendly, greenhouse friendly	Paper, service providers	While carbon neutrality is a legitimate claim in certain circumstances, it can be eco-wash if: - the claims are not independent certified or don't cover the full product life cycle - it doesn't address the main environmental impact of the product or service. For example, the process of paper manufacturing generates significant carbon emissions, but the sourcing the timber generates the greatest impact.	Ensure that the carbon-neutral claim is backed by verification such as the National Carbon Offset Standard. Choosing paper that has recycled content or is sustainably sourced should be the priority.
Recyclable	Packaging, stationery products	Recyclable products are only of benefit if the collection or drop-off facilities needed are available to the potential purchasers. If recycling facilities specific to the product are not in place, there is no advantage.	Check if the materials can be readily recycled through available waste management services. If the material cannot be recycled, ask the supplier about alternatives or opportunities to take back the material at the end of its life.
Energy/water efficient, energy saving, water saving, WELS (Water Efficiency Labelling and Standards) rated, Energy Rating, meets MEPS (minimum energy performance) requirements	Appliances, electrical equipment, water fixtures	Substantiated claims show how the products offer benefit over others performing the same function. Participation in schemes - mandatory energy rating, water rating and minimum energy performance (MEPS) – does not indicate environmental benefit. Instead, it provides a rating of the product which can be compared with other purchase options.	Understand what the star rating represents and opt for products with the highest rating. If the goods are not covered by mandatory ratings, seek third-party evidence of energy efficiency.
ISO 14001 certified	Any product, service or organisation	ISO 14001 does not indicate good environmental performance. It indicates that the certified organisation has implemented an environmental management system that meets the requirements of the ISO 14001 standard.	While ISO 14001 certification is a positive attribute, it is necessary to consider the environmental attributes specific to the product or service.

Table 4. How to recognise and avoid eco-wash. Adapted from Australian Department of Sustainability, Environment, Water, Population and Communities, 2013.

**WHAT DOES
SUSTAINABLE
PROCUREMENT
LOOK LIKE IN
PRACTICE?**

WHAT DOES SUSTAINABLE PROCUREMENT LOOK LIKE IN PRACTICE?

In many cases, sustainable procurement in local government has unique qualities, as it is underpinned by regulation and can occur in a variety of ways across councils.

This section provides an overview of the process of sustainable procurement, which is specific to local government, and how best to consider sustainability at each step. There are three key areas addressed:

- Purchase cards and petty cash
- Request for quotes and tendering
- Other procurement processes.

FACT: Be aware of eco-wash when asking organisations about decision making processes and activities related to sustainability

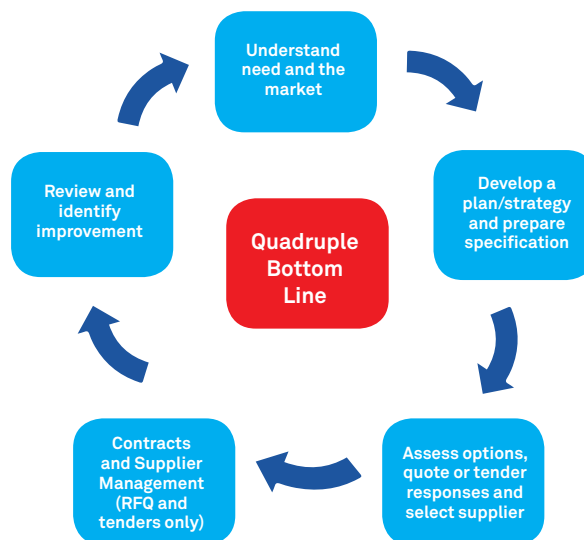


Figure 9. Overview of the procurement process

An overview of the sustainable procurement process is outlined in Figure 9. Good governance and consideration of the economic, environmental and social aspects of the sustainable procurement are always central to the QBL and purchasing process.

The time and resources needed for each step will vary depending on the type of procurement being undertaken.

To start, ensure an understanding of the following:

1. The basic sustainable procurement concepts. Refer to the section, *What is Sustainable Procurement* and *Where to Get More Information* if required.
2. The sustainable procurement priorities of the council, by referring to the sustainable procurement policy. If unclear, seek guidance from the team member responsible for policy. Reference internal guidelines, templates or checklists.

Purchase Cards and Petty Cash

A tendering process is usually not required for smaller purchases made with petty cash or purchase cards.

Even though these purchases may be smaller in value, sustainability should still be central to the selection of the product or services. Small purchases add up and have significant sustainability impacts, so it is important to apply QBL consistently. Refer to internal guidance on the use of purchase cards or petty case, or follow these simple steps prior to purchase:

- Check the authorised delegation for financial expenditure and or obtain written permission from management prior to purchase
- Conduct desk-top research of the QBL for the item being purchased
- Compare products available in-store and make a decision on the product or service that best meets QBL
- Purchase the item.

Understanding Need and the Market

The most important step to improve sustainability performance is to understand the organisation's needs and investigate if there are other ways to satisfy this requirement without purchasing new products or services. These could include:

- Eliminating demand by reviewing the need
- Reducing the frequency of purchase/consumption
- Aggregating or consolidating the demand
- Sharing resources with other areas of the council or other organisations
- Encouraging recycling, repair or repurposing of existing goods.

When the business need is understood, the key sustainability risks, and opportunities as well as the sustainability performance of suppliers can be assessed. These issues should always be considered in the context of the council's sustainability priorities.

Develop a Plan and Prepare a Specification

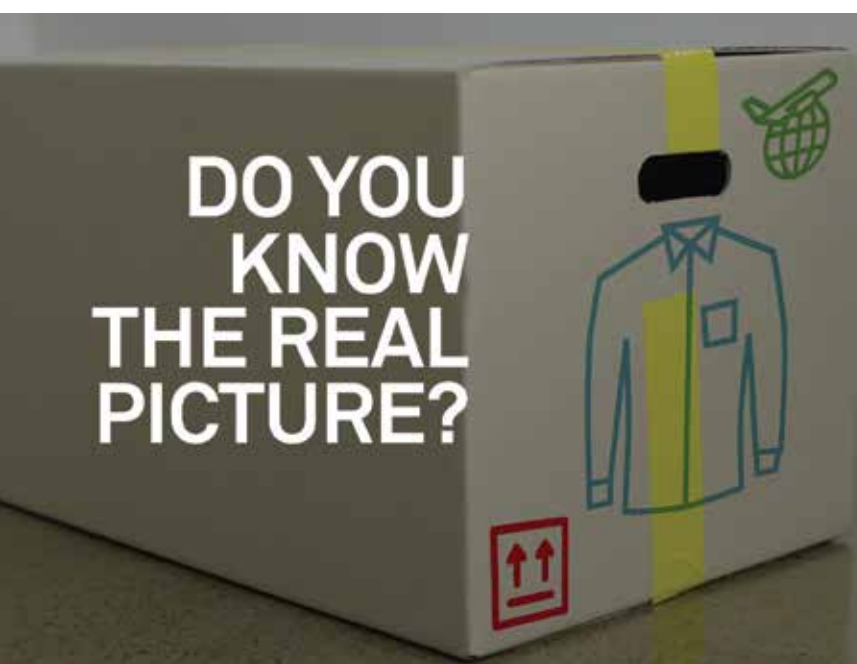
The council's priorities are the basis for developing sustainability criteria which can be used to assess the performance of a product or service. These may include labels, certifications and recognition programs which readily provide clear, verifiable and specific requirements for suppliers.

Assessing Responses and Supplier Selection

Suppliers can be assessed against the criteria established earlier in the procurement process. Refer to the sections titled, *How to Compare Products* for more information. If at any point supplier claims are unclear, seek clarification before purchasing.

Review and Identify Improvement

Consider the performance of the products or service against the sustainability criteria and document lessons learned. These learnings should be captured so they can be used to guide future procurement.





REQUEST FOR QUOTES AND TENDERING

REQUEST FOR QUOTES AND TENDERING

Medium sized purchases usually require quotes to be sourced from a number of potential suppliers. Council policy determines the value and number of quotes required. Council staff have delegated authority to manage financial budgets as authorised by the general manager. NSW councils are bound by regulation to formally tender for contracts valued over \$150,000. Councils can undertake this process in-house or use a prescribed tendering service such as **Local Government Procurement**.

Understanding Need and the Market

It is important to firstly understand the 'need' to purchase – why the product or service is needed and if alternative options are available. There may be other ways to satisfy requirements without purchasing new products or services. These could include:

- Eliminating demand by reviewing the real need
- Reducing the frequency of purchase/consumption
- Aggregating or consolidating the demand
- Sharing resources with other areas of council or other organisations
- Encouraging recycling, repair and repurposing of existing goods.

The next step is to conduct a market analysis which requires an understanding of the market's ability to meet the council's priorities. To obtain this understanding, the following questions can be asked:

- What are the key sustainability issues for this product or service? Is there information from other sources? For more information, it may be helpful to refer to sustainability category guidance documents specifically for local government (see more detail in the Section *Where to Get More Information*)
- What are the key risks and opportunities regarding the market's sustainability capability?
- What actions can be taken to manage or minimise these risks or make the most of opportunities?
- Are there improved products or technologies available?
- Can local suppliers provide the product or service?
- Is there an opportunity to promote innovation through a RFQ or tender process?

Develop a Strategy and Prepare a Specification

This sustainable procurement sourcing strategy should detail the key risks and opportunities and the actions required to manage them.

The sourcing strategy is used to define the specification and evaluation criteria, ensuring sustainability is integrated into the procurement process. It also sets the framework for tender assessment, supplier selection, contract terms and performance review. Specifications should:

- Reflect the sustainability priorities of the council's sustainable procurement policy
- Include sustainability requirements that are clear, verifiable, specific and allow for fair competition regardless of the size of the bidding supplier. This could include:
 - Characteristic of the product or service (e.g. recycled content). See the section titled *Rules and Legislation Councils Need to Consider*
 - Performance or functional requirements (e.g. level of service or fuel efficiency specifications). The Tendering Guidelines for NSW Local Government preference these types of specifications as it encourages alternative or innovative solutions and focus on results rather than technical characteristics (NSW Department of Premier and Cabinet Division of Local Government, 2009)
- Minimum or optional requirements or, the possibility for non-conforming responses
- The sustainability evaluation criteria (including price and quality) and the percentage weighting for each
- Changes to standard contractual arrangements to improve sustainability outcomes (which may include provisions to audit the supplier's supply chain).

Assessing Responses and Supplier Selection

Each item of the sustainability criteria, established for the RFQ or tender documents, should have clear and verifiable evaluation criteria. The methods which can be used to assess the sustainability performance of tender bidders include:

- Use of a third-party label, certification or program
- Review of tenderer's policies and strategies
- Review of tenderer's procedures for managing sustainability risks and opportunities
- Audit documentation
- Absence of harmful materials or substances.

Contracts and Supplier Management

The sustainability criteria set out in the RFQ or tender documents, should be incorporated into the supplier contract, the details of which will vary, depending on contract type and the sustainability requirements.

The contract manager should ensure that sustainability requirements are verifiable, clearly communicated and remain a priority throughout the contract term. The sustainability requirements that should be included in a contract management plan include:

- Identified sustainability risks and opportunities
- Appropriate incentives or requirements for the supplier to achieve sustainability targets
- Criteria for ongoing evaluation and performance management
- Methods of communication between the contract manager and supplier.

If a supplier fails to meet the required sustainability criteria, a processes should be determined for the supplier to build capacity or collaborate with other organisations to help them improve performance. Terminating the agreement should be a last resort.

Review and Identify Improvement

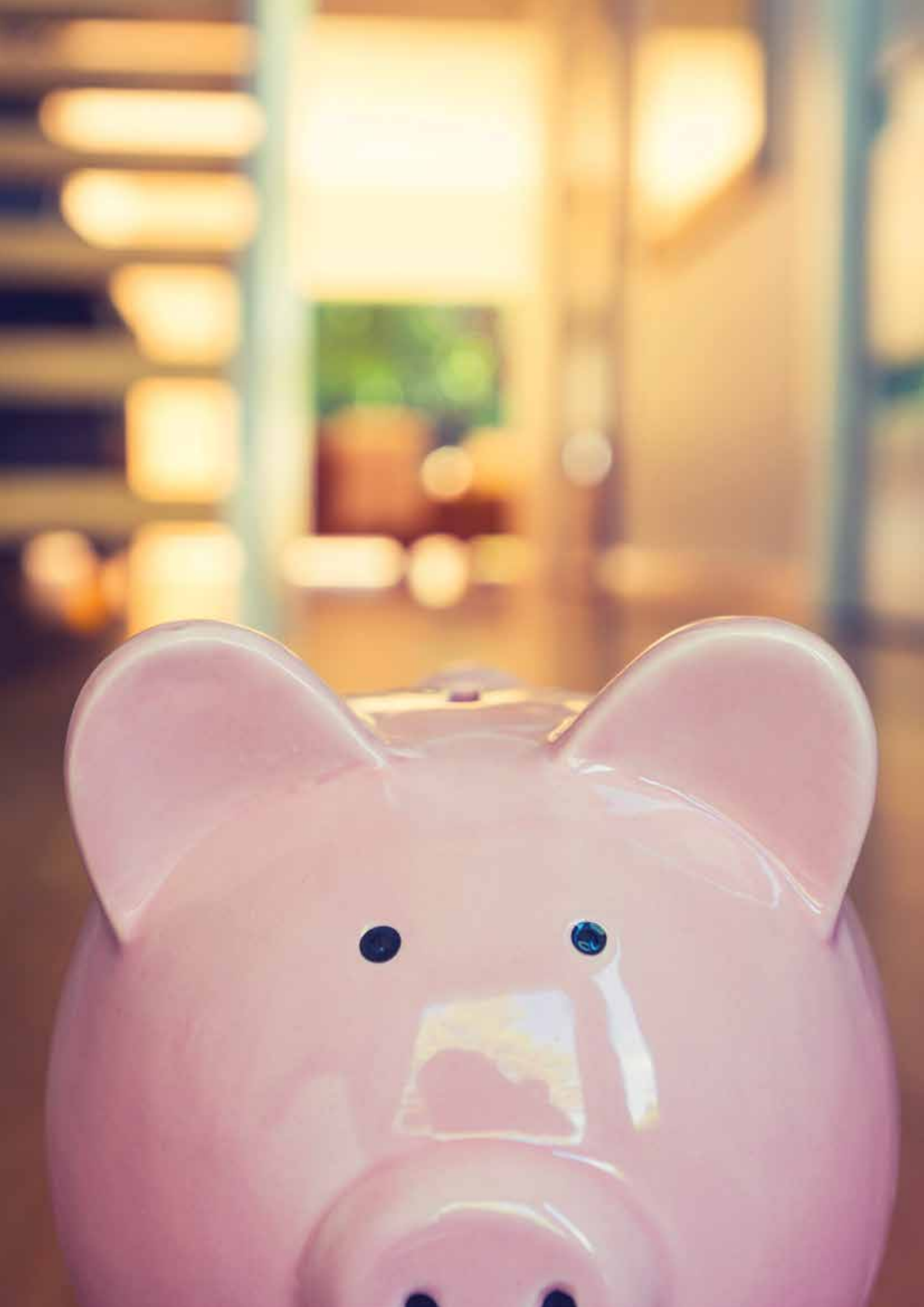
Regular contract reviews should be conducted over the life of the agreement. These reviews may include:

- Sustainability risks and opportunities (either expected or unexpected) and how they were managed
- Criteria, targets and requirements (set out in the contract) and if they were achieved
- Supplier management information.

Any learnings as a result of this process should be captured for future RFQ or tendering processes. The review of processes may occur during annual reporting or close of major projects. Councils may also consider having a 'procurement champions group' to capture lessons for future procurement.

Other Procurement Processes

Councils might use procurement processes other than the methods referred to in this section. While these may differ to the processes outlined, the principles of the quadruple bottom line can still be applied.



**WHERE TO
GET MORE
INFORMATION**

WHERE TO GET MORE INFORMATION

The resource list below will help you find reputable additional information, training or guidance in Sustainable Procurement.

Sustainable Procurement

Sustainable Choice – process and council-specific case studies. The website also has a database of sustainable products (see the Product Specific Information sub-section). Follow the link here: <http://www.lgnsw.org.au/member-services/sustainable-choice> or www.lgp.org.au

Sustainable Procurement Platform – a website is managed by ICLEI – local governments for sustainability and provides up-to-date news, case studies, events and guidance on sustainable procurement from across the world. Follow the link here: <http://sustainable-procurement.org/>

ICLEI – Local Governments for Sustainability Website – The ICLEI website provides a page on sustainable economy and procurement including links to resources and case studies. Follow the link here: <http://www.iclei-europe.org/topics/sustainable-procurement/>

Australian and New Zealand Government Framework for Sustainable Procurement (2007) – A document providing an overview of national and trans-Tasman principles to guide Australian State, Territory and Federal governments and the New Zealand Government in implementing sustainable procurement. Follow the link here: http://www.apcc.gov.au/ALLAPCC/APCC%20PUB_ANZ%20Government%20Framework%20for%20Sustainable%20Procurement%20-%20Sept%202007.pdf

Sustainable Procurement Guide (2013) – An Australian Government guide outlining key concepts and provides a step by step guide to sustainable procurement. Follow the link here: <https://www.environment.gov.au/system/files/resources/7b8df2bd-3bb9-49cc-b417-5f2eb6e0ce37/files/sustainable-procurement-guide.pdf>

ProcurePoint Website – The NSW Government ProcurePoint website has a page dedicate to Sustainable Procurement. This page defines environmental, economic, social and ethical considerations and provides links to sustainable procurement memoranda, circulars and guidelines. Follow the link here: <http://www.procurepoint.nsw.gov.au/policy-and-reform/nsw-government-procurement-information/sustainable-procurement>

United Nations Sustainable Consumption and Production Platform – This global sustainable consumption clearing-house consolidates knowledge on sustainable consumption and products from diverse regions and sectors and connects these stakeholders through a global framework. Follow the link here: <http://www.scpclearinghouse.org/>

Tender Processes and Documentation

Tendering Guidelines for NSW Local Government (2009) – Guidance on procurement principles, management, the tendering process, developing evaluation criteria and resources. Follow the link here: <https://www.olg.nsw.gov.au/sites/default/files/Tendering-Guidelines-for-NSW-Local-Government.pdf>

Tendering Sustainability Guidelines (2011) – a short guide produced by Sustainable Choice outlining questions that can be asked for specific procurement categories including packaging and transport, computers, printers and copiers, cleaning products/services, office furniture, janitorial paper products, printing papers, food and catering, timber products, consulting services, playground and sporting apparatus, vehicles, plant and equipment and garbage bins. Follow the link here: <http://www.lgnsw.org.au/files/imce-uploads/39/sustainable-tendering-guidelines.pdf>

LGP Tendering Services and Resources – Resources, templates and assistance with procurement principles, legislative requirements and options for all procurement activity for NSW councils. Follow the link here: <http://lgp.org.au/councils/services-resources>

Social Procurement

Social Procurement in Local Government (2016) – Defining social procurement, its benefits and some useful links for incorporating social procurement into your Council's purchasing practices. Follow the link here: http://www.lgnsw.org.au/files/imce-uploads/90/SC_Social_Procurement_in_LG.pdf

Social Procurement in NSW: A Guide to Achieving Social Value through Public Sector Procurement (2012) – produced by the Social Procurement Action Group which is a collaboration of representatives from local, state and federal government. The Guide includes the context of social procurement in NSW, developing an organisational social procurement framework and undertaking social procurement. Case studies and links to resources are also included. <http://cdn.socialtraders.com.au/app/uploads/2016/05/Social-Procurement-in-NSW-Full-Guide.pdf>

Social Procurement Australasia – a group of individuals and organisations that raise awareness of social procurement and link interested people to information and resources needed to socially procure. SPA's website includes guides, case studies, research and information on supplier lists. <http://socialprocurementaustralasia.com>

More for your Money – A Guide to Procuring from Social Enterprises (2006) – a guide by the Social Enterprise Coalition and the New Economics Foundation. It outlines what social enterprises are and why you should buy from them. http://cdn.socialtraders.com.au/app/uploads/2016/04/000413_cced.pdf

Social Procurement – A Guide for Victorian Local Government (2010): guidance from the Victorian State Government on social procurement for local governments in Victoria including what is social procurement, approaches, processes and resources <https://www.localgovernment.vic.gov.au/strengthening-councils/procurement/social-procurement>

Sustainable Procurement Training and Resources

Sustainable Choice – The Sustainable Choice program provides sustainable procurement training and resources for councils and the private sector. <http://lgnsw.org.au/memberservices/sustainable-choice> or www.lgp.org.au

Sustainability Advantage – A program run by the NSW government to increase competitiveness and improve bottom line results through better environmental practices. The program requires registration and payment of a modest fee to access the sustainability diagnostic, events and learning modules including supply-chain management. <http://www.environment.nsw.gov.au/sustainabilityadvantage/>

Procurement Australia – Procurement Australia provides advice, consultancy and standing-offer contracts for a diverse range of goods and services. <http://www.procurementaustralia.com.au/about-us/what-we-do/>

United Nations Environment Programme – Sustainable Public Procurement (SPP) – the SPP program provides news, events and webinars that are available via a YouTube channel on sustainable public procurement. It aims to build the case for SPP and support its implementation through resources and coordination of a network of collaborators. <http://www.unep.org/10yfp/programmes/sustainable-public-procurement>

Product Specific Guidance

Sustainable Choice Database – An online database administered by Sustainable Choice. The database is searchable by category, product/service and ten sustainability indicators. <http://sustainablechoice.lgnsw.org.au/search> or www.lgp.org.au

Local Government Procurement – The LGP website provides tendering templates, procurement tools and guidelines for users who have a registered account. <http://lgp.org.au/document-library/tendering-templates-procurement-tools-and-guidelines>

QLD Sustainable Procurement Product Guides – Queensland Government produced Product Guides that examine the sustainability issues specific to certain products and suggested procurement responses

Office Furniture (2009) – <http://www.hpw.qld.gov.au/SiteCollectionDocuments/ProductGuideOfficeFurniture.pdf>

Business Machines (2010) – <http://www.hpw.qld.gov.au/SiteCollectionDocuments/ProductGuideBusinessMachines.pdf>

Desktop, laptops and monitors (ICT products) (2010) – <http://www.hpw.qld.gov.au/SiteCollectionDocuments/ProductGuideICT.pdf>

Office Paper (2010) – <http://www.hpw.qld.gov.au/SiteCollectionDocuments/ProductGuidePaper.pdf>

Print Services (2010) – <http://www.hpw.qld.gov.au/SiteCollectionDocuments/ProductGuidePrintServices.pdf>

Cleaning Services (2010) – <http://www.hpw.qld.gov.au/SiteCollectionDocuments/ProductGuideCleaningServices.pdf>

Supply Chain Sustainability School (SCSS) – The SCSS offers free online training resources for supply chain sustainability. It is focused on the construction sector but you may find their resources are useful for other categories. <http://www.supplychainschool.org.au/>

The Procura+ Manual (2016) – Provides guidance on implementing sustainable procurement including guidance on six high-priority product groups - construction, IT equipment, cleaning products, food, vehicles and electricity. Note this guidance is European-focused. <http://www.procuraplus.org/manual/>

Energy Rating – A joint Australian and State/Territory government program of mandatory labelling which is a key initiative to reduce energy use and greenhouse gas emissions. <http://www.energyrating.gov.au/>

EnergyStar – ENERGY STAR products are independently certified (in the United States) to save energy without sacrificing features or functionality. <https://www.energystar.gov/>

Water Efficiency Labelling Scheme (WELS) – WELS is Australia's water efficiency labelling scheme that requires certain products to be registered and labelled with their water efficiency in accordance with the standard set under the national Water Efficiency Labelling and Standards Act 2005. <http://www.waterrating.gov.au/>

Forest Stewardship Council (FSC) – The FSC label is a trusted logo world-wide and provides international recognition to organisations that support the growth of responsible forest management. FSC is the world's most rigorous forest product labelling scheme. It is the only forest label supported by environmental groups such as the World Wildlife Fund, Greenpeace and The Australian Conservation Foundation, and by major forest product retailers. <https://au.fsc.org/en-au>

Programme for the Endorsement of Forest Certification (PEFC) – PEFC is the world's largest forest certification system with credible standards seeking to transform the way forests are managed globally and locally, providing alternative forest and chain of custody certification options. <http://pefc.org/>

Australian Forestry Standard (AFC) – AFC is a standards development organisation endorsed by PEFC. <http://www.forestrystandard.org.au/>

Fair Trade – Fair Trade advocates for better working conditions and improved terms of trade for farmers and workers in developing countries, providing a labelling system for products that have met the Fair Trade standards. <http://fairtrade.com.au/>

Window Energy Rating Scheme (WERS) – The Australian Window Energy Rating Scheme (WERS) provides a scientifically based, fair and credible rating system for the assessment of fenestration products for their energy efficiency performance. <https://www.wers.net/>

Good Environmental Choice Australia (GECA) – Australia's only independent, not-for-profit, multi-sector Eco labelling program. GECA provides independent certification, helping individuals and organisations with sustainability improvements. <http://www.geca.org.au/>

Green Tag – A global labelling product certification scheme. <http://www.globalgreentag.com/>

Eco specifier – A leading certified and verified sustainable products database, Eco specifier Global has one of the world's most expansive sustainable knowledge bases and global sources of life-cycle-assessed product information. <http://www.ecospecifier.com.au/>

Vinyl Council of Australia – Representing the PVC/Vinyl value chain in Australia; working to advance the sustainability of PVC products. <http://www.vinyl.org.au/>

Responsible Care (Chemistry Australia) – Responsible Care is an initiative of the global chemistry industry to drive continuous performance improvements and support the role of chemistry to be safer and more sustainable. <http://chemistryaustralia.org.au/safety-environment/responsiblecare>

rECOgnised – Recognised eco-label identifies environmentally preferable commercial cleaning products including but not limited to: hard surface cleaning products including general purpose cleaners, bathroom cleaners, toilet bowl cleaners, glass cleaners, floor cleaners and oven cleaners; carpet and upholstery cleaners; hand hygiene products; laundry detergents; dishwashing products; automotive cleaners; sanitisers. <http://accord.asn.au/sustainability/recognised/>

Supply Chain Sustainability School (SCSS) – The SCSS offers free online training resources for supply chain sustainability. It is focused on the construction sector but you may find their resources are useful for other categories. <http://www.supplychainschool.org.au/>

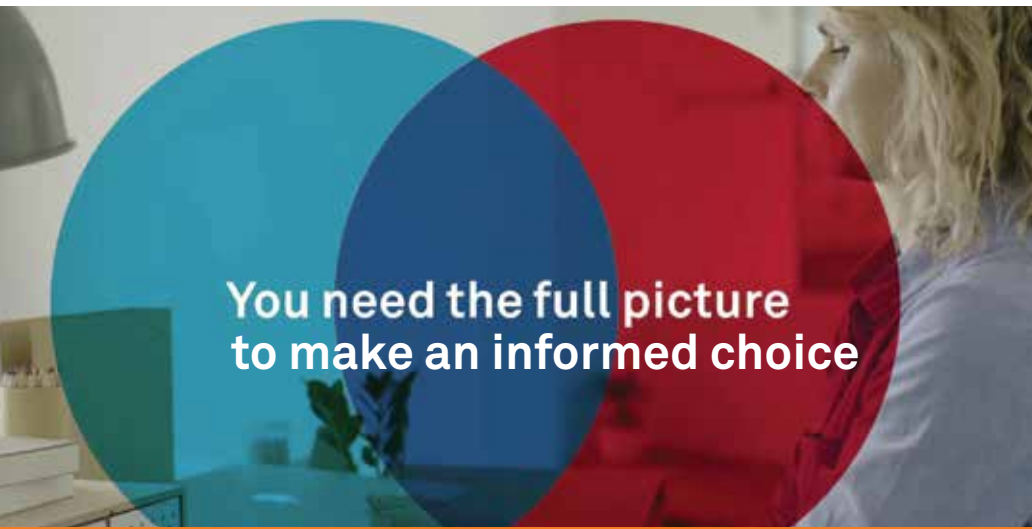
Australian Made – The official logo and accreditation scheme of Australian made, manufactured and grown products. <http://www.australianmade.com.au/>

Supply Nation – Endorsed by the Australian Government as the leading directory of Indigenous businesses for their procurement teams to fulfill their targets under the new Indigenous Procurement Policy, Supply Nation is a trusted source and logo and provides a database Indigenous Business Direct to search or register an Indigenous business. <http://supplynation.org.au/>

Indigenous Business Australia (IBA) – IBA is a trusted program aiming for Australia to be a nation in which the First Australians are economically independent and an integral part of the economy. IBA is a commercially-focused organisation helping create economic independence for Aboriginal and Torres Strait Islander peoples. <http://www.iba.gov.au/>

Social Traders – Australia's leading social enterprise development organisation working to break the cycle of disadvantage and build resilience in Australian communities. <http://www.socialtraders.com.au/>

Good Spender – Good Spender is an online market place connecting consumers with the broad range of products sold by Australian social enterprises. <https://www.goodspender.com.au/>

A woman with blonde hair is seen in profile, looking at a laptop screen. Overlaid on the image is a Venn diagram with three overlapping circles in teal, dark blue, and red. The text 'You need the full picture to make an informed choice' is written in white across the center of the Venn diagram.

**You need the full picture
to make an informed choice**

APPENDICES

Standard	Description	When is it applicable?
ISO20400 Sustainable Procurement - Guidance	Guidelines for organisations integrating sustainability into procurement processes. Complements ISO 26000. Provides guidance on social responsibility.	Further guidance on developing sustainable procurement policies and making purchasing decisions.
ISO 26000 Social Responsibility	Guidance on how businesses and organisations can operate in a socially responsible way, i.e. acting in an ethical and transparent way which contributes to the health and welfare of society.	Guidance when developing procurement policies and making purchasing decisions.
ISO 14001 Environmental Management Systems	A systematic framework to manage the immediate and long term environmental impacts of an organisation's products, services and processes.	For assessing construction services, food and beverage, information and communications technology suppliers.
ISO 9001 Quality Management	Guidance and tools for companies and organisations who want to ensure that their products and services consistently meet customer's requirements, and that quality is consistently improved.	Large organisations or businesses are often ISO 9001 certified. Smaller businesses or service-based industries may have internal quality management systems which can be requested for review in tenders.
ISO 14040 Life Cycle Assessment	Principles and framework for life cycle assessment.	ISO 14040 certification for engaging LCA consultant services; or when purchasing products that use LCA claims in the sustainability credentials.
ISO14020 Environmental labels and declarations - General principles. Other standards in the series: ISO 14024 Third-Party (Type I); ISO 14021 Self-declared environmental claims (Type II); ISO 14025 Environmental product declarations (Type III).	Guiding principles for the development and use of environmental labels and declarations. Intended that other applicable standards in the ISO 14020 series be used in conjunction with this International Standard: • Type I – environmental declarations established by third-parties • Type II – environmental declarations are self-declared, not requiring third-party certification • Type III – environmental product declarations – doesn't ensure that environmental performance is good but provides the information in a standard form.	These certifications are environmental labels or declarations which signify consistency with the international standards. <i>Type I and Type III labels should be requested wherever possible.</i> <i>Refer to the Eco-Labelling section for more information.</i>

Table 5. Key ISO standards for sustainable procurement

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