

Sustainable Procurement

Michael Field

Sustainability Manager, North Shore City Council

Auckland RWC 2011 Environmental Sustainability Workstream



AUCKLAND 2011
COUNTDOWN TO RUGBY WORLD CUP



I manage the teams that look after

- corporate sustainability programmes
- communications & education
- energy management
- procurement
- WasteWise workplace programme
- fleet management
- carbon accounting
- sustainability reporting...



AUCKLAND 2011
COUNTDOWN TO RUGBY WORLD CUP



Why do we bother?

- Whole-of-life costs
 - long term savings
- Changing the model from 'price' to 'value'
 - move away from 'transactional'
 - move toward 'collaborative'
- Enhancing reputation...



AUCKLAND 2011
COUNTDOWN TO RUGBY WORLD CUP



How we tender

- The biggest change is in
 - what we ask for from potential suppliers
 - how we evaluate tenders
- We use a four stage tender evaluation process...



AUCKLAND 2011
COUNTDOWN TO RUGBY WORLD CUP



Four Stage Process

Stage 1 – Non-negotiable

Our specific requirements – might include carbon reporting, materials or safety specifications

Stage 2 – Sustainability Attributes 25%

Generic organisational assessment table and appropriate industry specific tables

Stage 3 – Non-financial Attributes 40%

Track record, Experience, Technical Skills and Process – Top percentage or number go through

Stage 4 – Financial Attributes 35%

Overall cost of tender (whole-of-life where appropriate)



AUCKLAND 2011
COUNTDOWN TO RUGBY WORLD CUP



W-O-L example

Lighting Type	Purchase + Install	Cost to own over 18 years
Existing Standard Lights	\$10.79 ↓	\$396.12 ↑
Standard LED	\$90.40	\$305
Alder LED	\$133.40 ↑	\$250.76 ↓
T5 + Adaptor	\$47.10	\$275.72

Total savings opportunity

	Standard LED	Alder LED	T5 + ecoBright Adaptor
Unit Energy Savings/Yr	\$11.51	\$11.89	\$6.52
Payback Period (Yrs)	7.85	11.22	7.22
Lifetime Remaining After Payback (Yrs)	3.15	6.78	10.78
Lifetime Remaining After Payback (Yrs)	-	-	5.78
Total savings/Unit	\$36.21	\$80.62	\$70.26
Total Savings/all units	\$75,280.59	\$167,608.98	\$146,070.54

Lesson

- Had we purchased the cheapest light, we'd have spent an additional:
 - \$167,608.98 over 18 years
- Doesn't mean we have to buy them, but at least we know...



AUCKLAND 2011
COUNTDOWN TO RUGBY WORLD CUP



Rugby World Cup 2011

- ES Workstream produced the Sustainable Procurement Toolkit
 - Based on the existing NSCC guidelines
 - Dual purpose
 - Designed as a resource for business and as a resource for tenderers and assessors
- Live on the official tendering site -
www.aucklandplus.com/2011-opportunities/sustainability/sustainability-toolkit.cfm



AUCKLAND 2011
COUNTDOWN TO RUGBY WORLD CUP



More than just that..

- Sustainable procurement principles gaining wider recognition and use:
 - Hamilton
 - Environment Southland
 - Thames Coromandel
 - Rotorua
 - RWC 2011 – National Contracts
 - Business New Zealand members
 - New Auckland ‘Super City’ ...



AUCKLAND 2011
COUNTDOWN TO RUGBY WORLD CUP



So, what's in it for you?

- Gives you something to compete on, other than price (a nice change)
- Tenders going out through Tenderlink
- Does not 'lean' towards large business
 - There are numerous points available for criterion that are relevant and applicable to small businesses
- Transparent
 - You can see exactly what we want and what it's worth to us...



AUCKLAND 2011
COUNTDOWN TO RUGBY WORLD CUP



Company Profile Assessment Table

- Environmental management
- Compliance
- Environmental associations
- Energy
- Climate change
- Water use
- Water discharge
- Waste minimisation
- Paper
- Travel and distribution
- Labour practices
- Community
- Awards and recognition
- Over and above



AUCKLAND 2011
COUNTDOWN TO RUGBY WORLD CUP



Product and Industry Specific Assessment Table

- Generic product suppliers
- Wood-based products
- Clothing
- Food and beverages
- Packaging
- Printing
- Office consumables and electrical goods...



AUCKLAND 2011
COUNTDOWN TO RUGBY WORLD CUP



Third party verification

- Additional points are available for third party verified information, where applicable
 - Gives us a higher degree of assurance that the information is true and correct
 - Also ensures that the information follows international best practice
 - Helps us avoid 'Greenwash'...



AUCKLAND 2011
COUNTDOWN TO RUGBY WORLD CUP



A resource for business

- Criteria graduate from the easiest to the most difficult to achieve within each category
- If you're unsure where to start in your own business, do the first thing in each section, then the second etc.
- Basically works as a 'roadmap'
- Contains links to example documents and templates, as well as external certification schemes...



AUCKLAND 2011
COUNTDOWN TO RUGBY WORLD CUP



Section 2: Company Sustainability Profile Assessment Table

Category	Points Available	Description The company... (allocate points to points column if applicable)	Points Attained
Environmental Management	1	Has a documented and organisationally recognised environmental policy	
	<p>An environmental policy is a document, often a single page, stating the organisation's intentions, aspirations and values around environmental impact management.</p> <p>Click here to see an example</p> <p><i>A copy of the organisation's environmental policy, approved by a senior company officer, needs to be provided to gain this point. Annual reports and website links are acceptable here.</i></p> <p>Tender Response and Reference:</p>		
	2	Has a documented environmental management plan to monitor and improve environmental performance	
	<p>An environmental management plan is a document outlining the identified impact areas of an organisation, with clear planning on how to minimise or mitigate these impacts.</p> <p>Click here to see an example</p> <p><i>A copy of the organisation's environmental management plan, clearly showing plans to manage or mitigate impacts, also approved by a senior company officer, must be supplied to gain these points.</i></p> <p>Tender Response and Reference:</p>		
2	The environmental management plan has been independently audited and verified		
<p>An additional 2 points are available if the environmental management plan has been independently reviewed to ensure that all impacts have been identified, and that plans are in place to effectively minimise or mitigate these.</p> <p><i>The independent report or published reference to verification (e.g. annual reports or website links) must be supplied to gain these points.</i></p> <p>Tender Response and Reference:</p>			

What we're after

What that means

Instructions for assessors

Examples and templates

Category	Points Available	Description The Company.../The Product... (Allocate points to points column if applicable)	Points Achieved
Generic Product Suppliers	2	Can demonstrate full product Life Cycle Analysis (LCA) to ISO: 14040 standards (specific to the product being supplied).	
<p><i>Note: Each of these criteria may or may not be applicable depending on the product type.</i></p> <p>An LCA is an analysis of total environmental impact associated with the entire life cycle of a product. This covers the impacts associated with the mining of raw material, transport, refining, manufacturing and final disposal.</p> <p><i>An independently certified LCA report, clearly stating compliance with the LCA requirements set forth in ISO: 14040 standards must be supplied to gain these points.</i></p> <p>Tender Response and Reference:</p>			
	3	Is listed in the Environmental Choice New Zealand and/or EnviroSpec Programme to ISO 14024 or ISO 14025 standards.	
<p>Environmental Choice New Zealand is an independent certification body, which produces environmental specifications for manufacturers and suppliers. Organisations can apply to Environmental Choice New Zealand to gain certification for their products, clearly demonstrating that these products are environmentally preferred.</p> <p>EnviroSpec specialises in environmental specification markets and certification programmes, providing third party verification for sustainable products.</p> <p><i>A copy of current Environmental Choice New Zealand certification and/or EnviroSpec certification and/or ISO 14024 or ISO 14025 certification must be supplied for each product to gain these points.</i></p> <p>Tender Response and Reference:</p>			

Your response



Web-links



FAQ's

- The table is large to ensure that it is comprehensive and useful to you as a resource
- Sustainability only becomes important if all else is equal (ability to do work, price etc)
- It's **NOT** a pass or fail assessment but rather a comparative assessment of tender respondents
 - The highest scoring tenderer achieves full points even if their overall score is low...



AUCKLAND 2011
COUNTDOWN TO RUGBY WORLD CUP



Questions?

For copies of any documents, please contact:

Michael.Field@northshorecity.govt.nz

or download from

www.aucklandplus.com/2011-opportunities/sustainability/sustainability-toolkit.cfm



TM © Rugby World Cup Limited 2008.

AUCKLAND 2011
COUNTDOWN TO RUGBY WORLD CUP

