



# **Guidelines for Integrating Sustainability into Procurement**

**Business and Financial Services  
Sydney Harbour Foreshore Authority**

Document Control

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## 1 GENERAL

### 1.1 PURPOSE AND SCOPE

The principal objective of these guidelines is to assist the Authority to identify reasonable and appropriate sustainability criteria for inclusion in Authority procurement and to clarify associated assessment weightings when undertaking tender assessment. These criteria are to be included in Request for Quotation (RFQ), Request for Tenders (RFT), Expressions of Interest or invitations for Period or Panel Contracts let and managed by the Authority.

Importantly, these guidelines cover products (Goods), construction and contractors (Works), consultants (Services), as well as aspects of a service provider's corporate sustainability capabilities and expertise.

These guidelines are only applicable for determining sustainability performance criteria for a particular tender and related purchase order or contract. Other performance requirements will be determined by the project sponsor and included in the Tender and Tender Assessment as appropriate.

Where sustainability performance criteria are agreed as relevant they should be detailed in the technical specification associated with the tender documentation. Authority staff should seek advice from the Sustainability Manager when detailing specific sustainability performance requirements.

This Guide is also intended to assist Authority staff to prioritise and weight the importance of various sustainability criteria in the tender evaluation and assessment process. It is important that where procurement has the potential to represent a medium to high risk to the Authority's sustainability credibility, appropriate emphasis should be placed on sustainability outcomes. In these cases a measurable weighting should be applied to the sustainability requirements during the tender assessment process.

Whilst the Authority's sustainability commitments are detailed in its *Sustainability Policy (2012)* and *Sustainability Strategy and Action Plan (2012)*, further information on sustainability as it relates to procurement is included in this guide.

### 1.2 RESPONSIBILITIES

All staff involved in developing and assessing tender or quotations shall follow these guidelines to support achievement of the Authority's broader sustainability commitments. If in doubt the Chief Procurement Officer should be contacted for clarification or advice.

### 1.3 DOCUMENT HISTORY

Date	Revision	Author	Modifications
November 2011	1.1	Chief Procurement Officer	Initial issued for comment
February 2012	1.2	Chief Procurement Officer	Minor edits
March 2012	1.3	Sustainability Officer	Minor edits

## 2 TERMS USED IN THIS DOCUMENT

A comprehensive glossary is included in section 8.

### 3 A RISK BASED APPROACH

The Authority has committed to various measurable outcomes in environmental and social sustainability. Achieving these outcomes will require an emphasis on sustainability during procurement as some outcomes cannot be fully or partially achieved without the support and alignment of the supply chain.

Seeking material and resource efficiency such as energy efficient equipment or an effective streamered waste management system, will deliver operational savings to the Authority. However, other non-monetary benefits delivered through the supply chain have the potential to impact the Authority's credibility and reputation. As a consequence these benefits should be considered as part of the 'value for money' solution being sought.

Therefore, this guide takes a risk based approach to weighting the relative importance of sustainability outcomes, where specified, with the range of commercial, technical and operational outcomes the procurement initiative is endeavouring to achieve. Procurement, such as waste management, energy management, event delivery, printing and services that use potentially toxic or hazardous materials, have clear environmental requirements. Importance is placed during procurement to ensure monetary and environmental impacts are minimised. Other procurements such as general asset management, maintenance, rentals, consultants and communications, which have minimal risk of environmental incidents or impacts, do have the potential to allow the Authority to demonstrate innovation and leadership and achieve its goals in these areas.

As detailed in **section 5** of this Guide, a range of weighting values are recommended for sustainability in the tender evaluation process based on opportunities and risk to the organisation. As those risks evolve over time this Guide will be reviewed at least biennially to ensure the weightings remain practical and appropriate.

### 4 SUSTAINABILITY CRITERIA IN PROCUREMENT

#### 4.1 KEY CONSIDERATIONS WHEN IDENTIFYING APPROPRIATE SUSTAINABILITY CRITERIA

In consultation with the Authority's Sustainability Manager, the following principles should be considered when selecting and weighting sustainability performance criteria in tenders and contracts.

- Do the criteria support the Authority's sustainability goals, targets and objectives?
- What is the risk to the Authority of non-performance in the criteria?
- If the criteria were to fail will the sustainability objectives behind the procurement fail?
- Can the criteria be replicated in other contracts for consistency?
- Can the Tenderer really provide credible evidence of achieving the criteria in the timeframe available?
- Do the criteria provide significant insight into the behavioural characteristics of the Tenderer – will they take us seriously?
- Are the criteria likely to be expensive to implement by the Tenderer?
- Does the Tenderer have the capability in-house to be able to effectively achieve or implement the criteria?
- Can the Authority manage the Tenderer to effectively achieve the criteria?

To incorporate sustainability into the decision making process means ensuring that the actual product or service is sustainable. The following criteria should be considered when planning, procuring and assessing products or services.

#### 4.1.1 Sustainability Criteria Identification Checklist (Attachment 1)

To assist Authority staff to identify appropriate sustainability criteria for consideration and inclusion in Tenders Quotations, Period and Panel contracts as well as selection from (State Contracts Control Board) SCCB Contract lists, **Attachment 1** is provided.

Attachment 1 (*Establishing Specific Sustainability Performance Requirements in Authority Tenders and Tender Assessment Weightings*) is designed to provide a range of sustainability criteria from which a small number of pertinent and practical measures may be selected and detailed in the specification associated with the tender or quotation.

The criteria are set out separately for:

**Section 1** - 'goods' (products/materials), 'works' (construction and contractors) and 'services' e.g. printing products, capital equipment, waste management etc

**Section 2** – Corporate sustainability commitment, governance and management e.g. the capability of the tendering organisation to commit to and achieve innovative sustainability outcomes

This list is not exhaustive. There may be other specific sustainability criteria appropriate for specific procurement projects. These may be developed with advice from the Sustainability Manager.

For each criteria selected there is a relative percentage weighting listed that should be used during the tender evaluation process. The total of the sustainability criteria weightings should equal 100% and be equivalent to the overall % weighting given to sustainability in the tender evaluation (refer **Table 1** section 5).

Criteria can be grouped for ease of evaluation and additional criteria developed if necessary.

Importantly, the project owner or client for the procurement activity should discuss the appropriate criteria and their evaluation weighting with the Sustainability Manager before finalising tender documentation.

#### 4.1.2 Environmental Management in Asset Management Tenders and Quotations

NSW Government capital works tenders and contracts require the selected Contractor to commit to a program of environmental management to mitigate adverse environmental impacts associated with delivery of building, construction or fitout projects.

Whilst good environmental management is a requirement of the Authority and an important aspect of sustainability, NSW Government requirements are already well established and quite prescriptive in this area. Consequently, this Guide does not attempt to further clarify or replicate the established environmental management measures applied by the Authority. Commentary is provided here for the information of Authority staff only.

The Authority's Requests for Tender (RFT) for major projects i.e. asset management or construction contracts/services, often include a requirement in Part A Conditions of Tendering for evidence of the Tenderer's Environmental Management System (EMS), in Part

B General Conditions of Contract, a requirement for an Environmental Management Plan (EMP) and in Part E Tender Returns, a complete Environmental Management questionnaire. The questionnaire assists tender evaluation and identifies and supports contractual commitments in site environmental management practices during project delivery. Contractual commitments often require the Contractor to develop, submit and comply with an Environmental Management Plan (EMP) or similar. EMPs usually include pollution control measures around noise, air quality, stormwater runoff, waste management and traffic management. Similar environmental management requirements exist in the Authority's Request for Quotation for Maintenance Services.

While the Environmental Management questionnaire/checklist is appropriate for capital or asset maintenance contracts, the Authority does not limit the tender including further specific sustainability requirements where appropriate. Such additional sustainability requirements should be outlined in the General Conditions of Contract within the RFT. Where sustainability requirements are specific to the tender objective (e.g. refurbishment, construction, maintenance etc) they should be detailed as part of the Technical Requirements of the Tender.

The Authority's Sustainability Manager should be consulted for assistance when preparing asset management or construction tenders and technical requirements to review and edit the Environmental Management questionnaire if needed and consider further specific sustainability requirements appropriate to the project scope, scale and prominence (e.g. inclusion of good environmental design requirements).

#### **4.2 WHOLE OF LIFE IMPACTS**

Sustainable procurement requires a life cycle approach to identifying the environmental and social costs and benefits. The Authority has set key sustainability goals built around reducing greenhouse gas emissions associated with energy use in its managed properties and as a result of undertaking its operations. Those greenhouse gas emissions occur throughout the product life cycle. Consequently, procurement could focus on embodied carbon, that is

- Greenhouse emissions incurred in the manufacture and transport of products to Authority premises/sites; or
- Emissions created through energy consumption when the product is used by the Authority (e.g. HVAC efficiency); or
- Emissions created when discarded products or materials decompose in landfill.

A focus on the emissions created during the operational phase of a product provides potential for commercial savings and reputation benefits. However, the reduction of emissions before or after use can also provide reputation benefits, encourage innovation and with respect to landfill disposal costs, real monetary benefits as well.

Consequently, a life cycle or 'whole of life' approach should be adopted by Authority staff when preparing tenders and evaluating responses. This may require specific information to be sought in the tender and/or upon award of contract to verify positive life cycle benefits. With respect to environmental and social life cycle benefits the Authority's Sustainability Manager can provide further advice and direction.

#### **4.3 ENVIRONMENTALLY FRIENDLY PURCHASED PRODUCTS**

Examples of environmentally friendly and hence preferred products include:

- Recycled or low carbon/carbon neutral paper and paper products
- Remanufactured laser printer toner cartridges

- High Energy Star Rated computers and IT equipment
- Rechargeable batteries
- Re-refined lubrication, hydraulic oils, and antifreeze
- Recycled plastic outdoor-wood substitutes including plastic lumber, benches, fencing, signs and posts
- Recycled content construction, building and maintenance products, including plastic, wood or fibre-based products, carpet, tiles and insulation
- Re-crushed cement concrete aggregate and asphalt
- Cement and asphalt concrete containing glass cullet (finely crushed glass), recycled fibre, plastic, tyre rubber, or fly ash
- Road base mixes containing recycled materials or industrial wastes such as foundry dust, slag, fly ash etc
- Compost, mulch, and other organics including recycled biosolid products
- Re-manufactured and/or low or VOC-free paint
- Cleaning products with low toxicity
- Energy and water saving products with high ERLS or WELS star ratings
- Waste-reducing products
- Products with credible industry, NGO or Government accreditations and/or certifications such as Green Tag, Good Environmental Choice Australia, NABERS ratings, Green Star accreditations, Forest Stewardship Council (FSC), Fairtrade certification, GreenPower etc

#### **4.4 SOCIALLY RESPONSIBLE/ETHICAL PURCHASING STANDARDS**

In demonstrating a commitment to sustainability and seeking to ensure safe and healthy workplaces for the people who make products for the Authority, purchasers should strive to ensure that the products they purchase meet International Labour Organisation (ILO) manufacturing standards and Fair Trade Labelling standards. Products procured through the State Contracts Control Board (SCCB) may have been vetted when procured, however where there is risk of significant reputation impacts, (e.g. off-shore disposal of IT equipment collected by the Authority's waste contractors) the Chief Procurement Officer should be consulted for advice. Industry certifications, such as Fairtrade, provide alternate products that meet leading standards.

#### **4.5 ENERGY AND WATER SAVINGS**

The Authority recognises that the generation of electricity is a major contributor to air pollution and greenhouse gas emissions, and that clean water is a finite resource. The Authority values products that minimise the use of these valuable resources. Consider purchasing:

- Energy-efficient equipment with the most up-to-date energy efficiency functions, including, but not limited to, high-efficiency heating and cooling systems.
- Efficient lighting with energy-efficient equipment.
- Products for which the Energy Star certification is available and which meet Energy Star certification, when practicable. When Energy Star labels are not available, choose energy-efficient products that are in the upper 25% of energy efficiency.
- Water-saving products.

#### **4.6 RECYCLED CONTENT PRODUCTS**

The Authority recognises that recycled content products are essential to the continuing viability of any recycling system, and for the foundation of an environmentally sound production system. There is a requirement under the NSW Government's WRAPP Program to report use of recycled materials and products with recycled content. Always consider whether a product is available which consists of recycled content. This information should be specified by the manufacturer and documentary evidence sought as part of the tender or project delivery process. Examples of where recycled content should be incorporated include:

- Paper supplies for all paper based activities including copy paper and printing paper
- Copiers and printers that can be used with recycled content products such as paper and toner cartridges.
- Office fitout materials/products with recycled content
- Asphalt concrete, aggregate base or Portland cement concrete for road construction projects that contains recycled, reusable or reground materials.
- Recycled content transportation products including signs, cones, parking stops, delineators, and barricades.

#### **4.7 MINIMISING RISK - TOXICS AND POLLUTION**

The use of toxins and pollutants should be minimized to reduce risks to health, safety, and the environment. In addition to adhering to legal requirements, all purchases, either direct or through Authority contractors on Authority sites/projects should take into consideration the following:

- Biodegradable surfactants and detergents that do not contain phosphates.
- Manage pest problems through the application of prevention techniques and physical, mechanical and biological controls
- Procure products with the lowest amount of volatile organic compounds (VOCs), highest recycled content, and low or no formaldehyde in materials such as paint, carpeting, adhesives, furniture and casework.
- Reduce or eliminate the use of products that contribute to the formation of dioxins and furans, including, but not limited to:
  - Paper, paper products, and sanitary paper products that are bleached or processed with chlorine or chlorine derivatives
  - Products that use polyvinyl chloride (PVC), including, but not limited to, office binders, furniture and flooring
- Procure products and equipment with no lead or mercury. For products containing lead or mercury, give preference to those with lower quantities of these metals and to vendors with established lead and mercury recovery programs.
- Consider vehicle procurement alternatives to diesel and ULP such as compressed natural gas, bio-based fuels, hybrids, electric batteries, and fuel cells, as available.

#### **4.8 PROCURE PRODUCTS THAT ARE CERTIFIED TO MEET SUSTAINABILITY STANDARDS.**

The Authority will consider whether certifications to industry, NGO or government sponsored sustainability standards such as Fairtrade, Green Tag, Environmental Choice Australia, Forest Stewardship Council (FSC), NABERS and GreenStar etc are appropriate verification for quality outcomes. Internationally recognised Environmental Management Systems standards (such as ISO/AS 14001) are already acceptable standards to the NSW

Government and are required for aspects of building and construction tenders. However as “green” and “carbon” marketing advances in Australia a range of new logos and standards are appearing, some of which may not have been tested or proven scientifically to ensure ongoing credibility.

Authority staff are advised to consult with the Sustainability Manager before including in tenders or implying acceptance of carbon, environmental or sustainability accreditations and/or certifications. Some exceptions apply, such as Accredited GreenPower, WELS and ERLS, which are NSW Government supported initiatives.

#### **4.9 AVOID UNSUBSTANTIATED ENVIRONMENTAL CLAIMS.**

Products or services offered to the Authority may come with claims of environmental or greenhouse performance. Unsubstantiated claims, that is, verbal claims or documentation from a non-credible or suspicious source, should be disregarded until sufficient proof is provided. Proof of claims may include credible and relevant laboratory results (from a NATA accredited laboratory), certifications such as “Green Tag” or GreenStar rating certificate (or similar) or Fairtrade certification (or similar).

Consult with the Sustainability Manager if questionable or unsubstantiated claims or verification is provided in response to quotations or tenders.

#### **4.10 THE CONNECTION BETWEEN WASTE AND PURCHASING**

There is a clear link between purchasing and waste given that everything brought into the Authority’s buildings and precincts is likely to be disposed of at some stage. It is necessary to consider the following points when making purchasing decisions in order for the Authority to meet its waste reduction targets:

##### **Reduce waste at the point of purchase.**

Authority staff and contractors can help achieve the Authority’s waste reduction targets by practicing the four R’s: rethink, reduce, reuse, and recycle. Priority should be given to reducing waste upstream by purchasing products made from recycled material that can be reused or recycled.

To reduce disposal costs and waste, choose items that can be remanufactured, recycled, or composted. Many products made from recycled materials are available – paper is a perfect example. Work with suppliers to minimise the amount of packaging used to transport goods. Ensure that construction contracts provide clear guidelines and conditions for the disposal of demolition waste.

##### **Purchase durable and reusable goods**

Conducting life-cycle cost analysis, rather than automatically choosing goods with the lowest purchase price, can help the Authority identify the best long-term value. Factor in a product’s estimated life span as well as its energy, maintenance, consumable supplies and disposal costs. For example:

- Consider durability and reparability of products prior to purchase.
- Invest in goods with extended warranties.
- Conduct routine maintenance on products/equipment.
- Save money and minimise waste by eliminating single-use items, such as non rechargeable batteries, in favour of rechargeable batteries. Use rechargeable cartridges.

**Specify product and packaging take-back**

Increasingly, product vendors are offering to take back the products they sell when they become obsolete. By utilising vendors who offer an Extended Product Responsibility (EPR), especially take-back, recycle, and disposal programs, the Authority is better able to ensure equipment and products are disposed of properly whether recycled, donated, refurbished or disposed of without the added cost.

Other vendors will take back used items such as carpeting and toner cartridges when purchasers buy new products. For example, toner cartridges are disposed of properly or sent to be recharged and sold at a lower cost.

The Authority will endeavour, where practical, to require vendors to assume responsibility for some of their shipping materials, such as wooden pallets and excess packaging materials. When ordering large furniture or computer shipments request products ship blanket-wrapped or using reduced packing material.

**Buy goods in bulk or concentrated form**

This practice can significantly reduce the packaging associated with lower product quantities and save costs. Carefully estimate demand when purchasing in bulk; purchasing more than is needed can create excess that becomes waste.

**Consider alternate options to purchasing**

Consider an operating lease or rental rather than a purchase or capital lease. Lease and rental contracts give vendors the responsibility for the upkeep of goods such as computers and copiers, and for managing them at the end of their useful life. Be sure to check what the process for disposal is at end of life with the lease provider prior to signing any contracts. Businesses that lease equipment tend to manufacture more durable items, salvage reusable parts, refurbish, recycle, or donate used equipment that can no longer be leased. Renting is a cost-effective option for short-term equipment needs.

**Manage surplus effectively**

Waste can be reduced simply by eliminating excess purchases. Reviewing past needs can minimize the procurement of unneeded items so that you only order what you actually need. Clean out office supply cabinets and post re-usable items such as folders on the intranet. The Authority will dispose of unwanted or outdated property responsibly and will endeavour to redistribute, recycle, or thoughtfully dispose of surplus property.

**5 TENDER EVALUATION METHODOLOGY****5.1 INCLUDING SUSTAINABILITY IN TENDER EVALUATIONS**

The Authority's Office Procedures Manual confirms that Tenders shall be evaluated in accordance with a pre-established Tender Evaluation Methodology (TEM). The TEM must be agreed between members of the Tender Evaluation Committee (TEC), endorsed by the Chief Procurement Officer and approved by the Client's (usually the Procurement Sponsor).

TEM is developed based on the selection criteria set out in the Conditions of Tendering. Sustainability performance requirements, if applicable to the tender, should also be included in the selection criteria and listed in the Detailed Evaluation Spreadsheet (or similar) where weighting and scoring is undertaken. Depending on the importance of the sustainability

criteria they should be scored individually or as an aggregated sustainability group (preferred).

Guidance on weighting sustainability criteria is listed in 5.2 below.

## 5.2 WEIGHTING SUSTAINABILITY IN TENDER ASSESSMENT

Sustainability requirements specified in tenders and quotations are assessed as part of the technical/operational component, separate to the commercial/financial components. Typically commercial price represents 50% to 60% of the scored tender assessment. Technical/operational requirements make up the balance. Therefore Sustainability will always be a component of the 40% to 50% score range. Its relative value in this range is set by the potential importance of the procured goods or services to support the Authority's sustainability goals and targets and on the potential risk to the organisation.

**Table 1** below should be used to help establish the weighted value of the aggregated sustainability requirements for any given tender.

<b>Table 1: Establishing the value of sustainability in the Quotation/Tender/purchase</b>	
<b>Opportunity/Risk</b>	<b>Suggested total sustainability weighting of non-commercial evaluation criteria</b>
<b>HIGH</b> – There is a <u>significant</u> correlation between the goods or services being procured to the Authority's sustainability goals and objectives. The lack of inclusion or under-performance of certain environmental and social criteria in the Tender/Contract provides a <u>significant or long term</u> credibility, reputation or operational impact and/or risks non-compliance with the Authority's Sustainability Policy, goals and/or Government expectations. For example, energy, water and waste management products or services.	25% to 50%
<b>MEDIUM</b> – There is a <u>limited</u> correlation between the goods and services being procured to the Authority's sustainability goals and objectives. The lack of inclusion or under-performance of certain environmental and social criteria in the Tender/Contract provides a <u>minor or short term</u> credibility, reputation or operational risk/impact to the Authority. For example, maintenance services, event food and beverage.	10% to 20%
<b>LOW</b> – There is <u>minimal</u> or no practical correlation between the goods or services being procured to the Authority's sustainability goals and objectives. The lack of inclusion or under-performance of certain environmental and social criteria in the Tender/Contract is unlikely to have any detrimental credibility, reputation or operational impacts. For example, Probity Services, Consultancy Services	0% to 10%

## 6 CONTACTS/REFERENCES

For any further information and clarification on the use of this Guide, please contact either the Chief Procurement Officer or the Sustainability Manager.

This Guideline is related to the following documents:

*SHFA Sustainability Policy*

*SHFA Sustainability Strategy and Action Plan*

*SHFA Procurement Policy*

*Environmental Management Checklist*

*Office Procedures Manual*

*Tender Evaluation Plan*

## 7 ATTACHMENTS

The following attachments should be read in conjunction with this Guide:

*Attachment 1 Establishing Specific Sustainability Performance Requirements in Authority Tenders and Tender Assessment Weightings*

## 8 GLOSSARY OF TERMS

Terms used in this Guide are listed below.

Cleaner Production	Cleaner production is a preventive, company-specific environmental protection initiative. It is intended to minimise waste and emissions and maximise product output. By analysing the flow of materials and energy in a company, one tries to identify options to minimise waste and emissions out of industrial processes through source reduction strategies. Improvements of organisation and technology help to reduce or suggest better choices in use of materials and energy, and to avoid waste, waste water generation, and gaseous emissions, and also waste heat and noise.
CSR	Corporate Social Responsibility: the continuing commitment by business to behave ethically and contribute to economic development while protecting the environment and improving the quality of life of the workforce, their families and the local community and society at large.
EH&S	Environmental Health and Safety: Environmental Health refers to those aspects of human health determined by physical, chemical, biological and social factors in the environment. The purpose of an EH&S Plan is to implement a clear approach to manage the health, safety and welfare of all persons involved in a project or activity, and all persons that may be affected by activities undertaken with regard to Occupational Health & Safety Management policy & procedures.
Embodied Energy	Embodied energy is defined as the commercial energy (fossil fuels, nuclear, etc) that was used in the work to make any product, bring it to market, and dispose of it. Embodied energy is an accounting methodology which aims to find the sum total of the energy necessary for an entire product lifecycle. This lifecycle includes raw material extraction, transport, manufacture, assembly, installation, disassembly, deconstruction and/or decomposition.
Embodied Carbon	As for embodied energy but expressed as a CO <sub>2</sub> -e metric
EMP	Environmental Management Plan – a documented action plan with operational responses to environmental risks and objectives of a project, a site or a production process.
EMS	Environmental Management System (EMS) refers to the management of an organisation's environmental programs in a comprehensive, systematic, planned and documented manner. It includes the organisational structure, planning and resources for developing, implementing and maintaining policy for environmental protection. An accepted international standard EMS is AS/ISO 14001 Environmental Management Systems.
ERLS	Energy Rating Labelling Scheme is a Federal Government mandated star-rating scheme for energy consuming household appliances.

Fairtrade	Fairtrade certification (Fairtrade, known as Fair Trade Certified in the US and Canada) is a product certification system designed to allow people to identify products that meet agreed environmental, labour and developmental standards. Overseen by a standard-setting body, FLO International, and a certification body, FLO-CERT, the system involves independent auditing of producers to ensure the agreed standards are met. Companies offering products that meet the Fairtrade standards may apply for licences to use the Fairtrade Certification Mark for those products.
FSC	Forest Stewardship Council - The Forest Stewardship Council (FSC) is an international non-profit, multi-stakeholder organisation established in 1993 to promote responsible management of the world's forests. Its main tools for achieving this are standard setting, independent certification and labelling of forest products. This offers customers around the world the ability to choose products from socially and environmentally responsible forestry. FSC certification on paper and printing materials is common in Australia.
Greenhouse Intensity	The ratio of Carbon Dioxide, or equivalents, to energy consumption: a measure of the "greenness" of different fuels or the fuel use of products or services. Depending on the product, service or operating environment the greenhouse, or "carbon" intensity can be expressed different ways – e.g. Tonnes CO <sub>2</sub> -e/m <sup>2</sup> tenancy; Tonnes CO <sub>2</sub> -e/FTE; kgs/CO <sub>2</sub> -e/kWh consumed; kgsCO <sub>2</sub> -e/unit of product.
IAQ	Indoor Air Quality is a term referring to the air quality within and around buildings and structures, especially as it relates to the health and comfort of building occupants. IAQ can be affected by microbial contaminants (mould, bacteria), gases (including carbon monoxide, radon, volatile organic compounds), particulates, or any mass or energy stressor that can induce adverse health conditions. Indoor air is becoming an increasingly more concerning health hazard than outdoor air. Using ventilation to dilute contaminants, filtration, and source control are the primary methods for improving indoor air quality in most buildings.
LCA	A Life Cycle Assessment (also known as life cycle analysis, eco-balance, and cradle-to-grave analysis) is a technique to assess each and every impact associated with all the stages of a process from cradle-to-grave (i.e., from raw materials through materials processing, manufacture, distribution, use, repair and maintenance, and disposal or recycling). LCA's can help avoid a narrow outlook on environmental, social and economic concerns.
Organics recycling	The collection of organic materials either as wastes or unused product for reprocessing into usable materials e.g. mulch or soil improvers.
Post use recyclability	The capacity of the product or material to be collected after consumer use and re-processed into new similar products or materials.
Product Stewardship	Product stewardship is a concept whereby environmental protection centres on the product itself, and everyone involved in the lifespan of the product is called upon to take up responsibility to reduce its environmental impact. For manufacturers, this includes planning for, and if necessary, paying for the recycling or disposal of the product at the end of its useful life. This may be achieved, in part, by redesigning products to use fewer harmful substances, to be more durable, reusable and recyclable, and to make products from recycled materials. For retailers and consumers, this means taking an active role in ensuring the proper disposal or recycling of an end-of-life product.
SoD	Statement of Duties
WELS	Water Efficiency Labelling Standard scheme for water using products such as dishwashers and washing machines.

**Attachment 1**

**Establishing specific sustainability performance requirements in Authority Tenders and Tender Assessment Weightings**

Seek Sustainability Manager advice when using this checklist

<b>Potential Sustainability Criteria</b> (It is recommended a small number of clearly defined criteria are selected for inclusion in the Technical/Operational specification in the tender or quotation)	<b>Include in Tender</b> <b>(Yes/No)</b>	<b>Proposed Tender Assessment Weighting</b> <b>(total 100% of sustainability weighting)</b>
		Transfer the agreed criteria and weighting % to the Detailed Evaluation Spreadsheet associated with the Tender evaluation
<b>SECTION 1: PRODUCT OR SERVICE PERFORMANCE</b>		
<b>GENERAL</b>		
<ul style="list-style-type: none"> <li>Stated SHFA preference (additional 10%) to environmentally friendly products when performance and price are comparable to conventional products</li> </ul>		
<ul style="list-style-type: none"> <li>Environmental or social impacts of product/service identified (e.g. via Life Cycle Assessment (LCA) or similar)</li> </ul>		
<ul style="list-style-type: none"> <li>Capacity to provide documented evidence to verify environmental or social performance claims (e.g. LCA or lab tests)</li> </ul>		
<ul style="list-style-type: none"> <li>Demonstrated capacity to achieve specified environmental or social performance requirements of the Tender</li> </ul>		
<ul style="list-style-type: none"> <li>Commitment/capacity to provide performance reporting on environmental requirements of the Tender</li> </ul>		
<ul style="list-style-type: none"> <li>Other (list):</li> </ul>		
<b>SPECIFIC PERFORMANCE</b>		
<b>Toxicity/air quality:</b>		
<ul style="list-style-type: none"> <li>Low toxicity manufacture</li> </ul>		
<ul style="list-style-type: none"> <li>Safe product during use</li> </ul>		
<ul style="list-style-type: none"> <li>Low/nil IAQ impacts</li> </ul>		
<ul style="list-style-type: none"> <li>Low toxicity in disposal</li> </ul>		

<ul style="list-style-type: none"> <li>• Low toxicity labelling</li> </ul>		
<ul style="list-style-type: none"> <li>• Other (list)</li> </ul>		
<b>Potential Evaluation Criteria</b>	<b>Include in Tender (Yes/No)</b>	<b>Proposed Tender Assessment Weighting</b>
<b>Energy Efficiency:</b>		
<ul style="list-style-type: none"> <li>• Low embodied energy</li> </ul>		
<ul style="list-style-type: none"> <li>• Efficient in operation</li> </ul>		
<ul style="list-style-type: none"> <li>• Efficiency labelling (state ERLS rating or similar)</li> </ul>		
<ul style="list-style-type: none"> <li>• Other (list)</li> </ul>		
<b>Greenhouse Intensity:</b>		
<ul style="list-style-type: none"> <li>• Low embodied carbon</li> </ul>		
<ul style="list-style-type: none"> <li>• Low carbon intensity is use phase</li> </ul>		
<ul style="list-style-type: none"> <li>• Low emissions in disposal (landfill emissions)</li> </ul>		
<ul style="list-style-type: none"> <li>• Low carbon intensity labelling (certified)</li> </ul>		
<ul style="list-style-type: none"> <li>• Carbon neutral product/service (certified)</li> </ul>		
<ul style="list-style-type: none"> <li>• Other (list)</li> </ul>		
<b>Potable Water Conservation:</b>		
<ul style="list-style-type: none"> <li>• Efficient in operations</li> </ul>		
<ul style="list-style-type: none"> <li>• Non polluting in disposal</li> </ul>		
<ul style="list-style-type: none"> <li>• Efficiency labelling (certified)</li> </ul>		
<ul style="list-style-type: none"> <li>• Other (list)</li> </ul>		
<b>Waste/Recycling:</b>		
<ul style="list-style-type: none"> <li>• Product of cleaner production initiative</li> </ul>		
<ul style="list-style-type: none"> <li>• % recycled/reused content</li> </ul>		
<ul style="list-style-type: none"> <li>• Post use recyclability or reuse capacity</li> </ul>		
<ul style="list-style-type: none"> <li>• Product Stewardship initiative</li> </ul>		
<ul style="list-style-type: none"> <li>• Organics recycling</li> </ul>		
<ul style="list-style-type: none"> <li>• Minimal packaging</li> </ul>		
<ul style="list-style-type: none"> <li>• % demolition material recycled/reused</li> </ul>		
<ul style="list-style-type: none"> <li>• Other (list)</li> </ul>		
<b>Biodiversity/landuse:</b>		
<ul style="list-style-type: none"> <li>• Low/nil impact on natural habitats or species</li> </ul>		
<ul style="list-style-type: none"> <li>• Industry certification (e.g. FSC, Fairtrade)</li> </ul>		
<b>Product Impact Assessment:</b>		

<ul style="list-style-type: none"> <li>LCA used to justify claims</li> </ul>		
<ul style="list-style-type: none"> <li>3<sup>rd</sup> party verification required/provided</li> </ul>		
<ul style="list-style-type: none"> <li>Industry accreditation provided</li> </ul>		
<b>Potential Evaluation Criteria</b>	<b>Include in Tender (Yes/No)</b>	<b>Proposed Tender Assessment Weighting</b>
<ul style="list-style-type: none"> <li>Compliance with specific Australian environmental standards (specify which)</li> </ul>		
<b>Social/Community:</b>		
<ul style="list-style-type: none"> <li>Local supply</li> </ul>		
<ul style="list-style-type: none"> <li>Local manufacture/grown</li> </ul>		
<ul style="list-style-type: none"> <li>Local recycling processing</li> </ul>		
<ul style="list-style-type: none"> <li>Local/regional labour (% sought)</li> </ul>		
<ul style="list-style-type: none"> <li>Other (insert)</li> </ul>		
<b>Provision of information during contract</b>		
<ul style="list-style-type: none"> <li>Capacity to provide regular reports against Tender's environmental requirements</li> </ul>		
<ul style="list-style-type: none"> <li>Capacity to set milestone targets</li> </ul>		
<ul style="list-style-type: none"> <li>Other (insert)</li> </ul>		
<b>SECTION 2: CORPORATE SUSTAINABILITY COMMITMENT, GOVERNANCE AND MANAGEMENT</b>		
<b>Adequate Environmental or Sustainability Policy</b> (Note: Ask for a copy in tender response)		
<b>No environmental infringements in last 5 years</b>		
<b>Environmental due diligence process in place such as EMS or similar (review risks before they become incidents)</b>		
<b>Commitment to an industry environmental performance standard or initiative (if existing) (e.g. Product Stewardship, Carbon Disclosure Project)</b>		
<b>Commitment to supply chain partnering for improved environmental outcomes over contract period</b>		
<b>Relevant environmental and or sustainability information made available to key stakeholders (e.g. website, CSR report etc)</b>		
<b>Strategies in place to improve the company's environmental or social performance (not related to its products or services) – e.g. resource efficiency plan; community engagement or environmental care plan</b>		

Potential Evaluation Criteria	Include in Tender (Yes/No)	Proposed Tender Assessment Weighting
Capacity to develop/have developed an Environmental or Sustainability Action Plan or similar (e.g. EMP)		
Environmental/sustainability performance targets set, monitored, and progress reported at senior management level		
Willingness to comply with site EH&S requirements including waste management system, incident response and workplace safety		
Won environmental or community award(s) in the last 5 years		
Key contact provided for all environmental liaison with SHFA		
Referee(s) provided to substantiate performance claims		
Other? (list)		
Other? (list)		