

## Green Procurement Guideline

### Purpose

This Guideline seeks to promote green procurement outcomes and encourage public authorities and suppliers to improve practices that balance different and sometimes competing procurement priorities, achieve value for money, and minimise impacts on the environment.

### Green Procurement

Green procurement means purchasing products and services that cause minimal adverse environmental impacts. It incorporates human, health and environmental concerns into the search for high quality products and services at competitive prices. Green procurement requires organisations to adopt responsible practices when procuring goods and services.

The [South Australian Government Climate Change Action Plan 2021–2025](#), along with other 'green' initiatives help to build a strong, climate smart economy and support our State to adapt to a changing environment. These initiatives aim to capitalise on South Australia's renewable energy resources, land, infrastructure, expertise and access to markets, and increase demand for climate smart goods and services.

Public authorities can play an important role in using their purchasing power to encourage suppliers to adopt practices that achieve green procurement outcomes.

To achieve these outcomes, public authorities are encouraged to:

- commit to continual improvement in organisational green procurement goals, policies and outcomes;
- promote awareness and provide staff training about achieving green procurement outcomes throughout the procurement process; and
- set up processes to reduce, repair, reuse or recycle goods.

These practices can be incorporated into each phase of the procurement process, including procurement planning, sourcing, and contract management, as well as disposal. Attachment 1 provides a guide for making green procurement considerations throughout each stage of the procurement process.

### Environmental Considerations

Many environmental impacts occur before a good or service is procured, for example, resource extraction, design development, manufacturing, transportation and storage. As a large purchasing body, government can minimise the environmental impacts of these procurements by influencing supply market practices.

The environmental impact of each procurement will vary, based on an assessment of both the goods and services being purchased and an understanding of the

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organisational context and procurement need. Environmentally preferable goods and services are those that have a lower environmental impact, when compared with competing goods or services serving the same purpose.

Most goods and services will have an element of environment impact in a number of areas. To minimise environmental impact, it is important to determine the most significant factors related to the specific good or service. This can include but is not limited to:

- energy use and type of energy utilised;
- water use and water quality impacts;
- resource use, including non-renewable or recycled materials;
- level and volume of toxic and hazardous substances/waste;
- end-of-life options (e.g. recyclability, resource recovery);
- impact on natural habitat; and
- noise, pollutants and emissions.

### Procurement Planning

Considering the potential and priority for achieving green procurement outcomes during procurement planning helps to identify whether these outcomes can be achieved, and their priority on balance with other considerations. The following questions can be used as a guide to identify these priorities:

- Are there any significant climate or emission impacts associated with the procurement?
- Will the procurement use high levels of energy, resources or water (including natural landscapes and habitats)?
- Does the procurement use or promote renewable energy practices (e.g. solar, wind, wave)?
- Is there any pollution or waste associated with the production, distribution, use and disposal of the procurement (including packaging)?
- Are there opportunities for reusability and/or recyclability associated with the procurement, including options for reuse, repair, upgrade or modification to increase the product life?
- Does the procurement have significant travel, transport or logistics related impacts (including air, road, rail and vehicle)?
- Could the procurement have an adverse impact on human health and wellbeing?
- Could the procurement impact negatively on local communities and businesses?

Attachment 2 provides further information to assist public authorities in identifying and understanding some of the more common issues and environmental impacts associated with the procurement of goods and services.

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### Specifications

A specification is a statement of requirements which defines what the public authority wants to buy. Specifications outline minimum or desirable requirements and describe what is required from a supplier and how performance against these requirements will be assessed.

The market approach specification should specify the green procurement requirements. For example, a minimum requirement for printing services could be to use recycled paper, while a desirable requirement could be for the printing services supplier to offset greenhouse emissions from the printing process.<sup>1</sup> Simply stating that products are to be 'environmentally preferable' or have a 'lower environmental impact' is insufficient. Attachment 3 can be used as an example of how a public authority could define and prioritise their green procurement objectives and how this information can be presented to potential suppliers in the market.

There may be situations where environmental performance requirements are mandated by regulation and/or legislation. Any mandated standards should be clearly understood and defined at the planning phase and during the market approach.

### Supplier Selection

Considerations during procurement planning, sourcing and supplier selection include developing methods to assess and compare the environmental or green performance of products, assessing environmental risks and developing measures to ensure green performance outcomes are achieved.

Possible ways to promote green procurement at the supplier selection stage include:

- Establishing qualitative weighted criteria to select suppliers that can supply goods or services that deliver or meet green procurement objectives or targets, or asking suppliers to demonstrate their own organisational sustainability performance<sup>2</sup>.
- Considering whole-of-life costs - for example sustainably preferable goods or services may be more expensive to purchase, but could generate savings throughout their life through reduced requirement for maintenance/repair or reduced running or energy costs.

### Monitoring Green Procurement Performance following supplier selection

The following are some examples on how to monitor if a supplier is meeting the green procurement requirements or targets within a contract:

- Asking the supplier for a quality test of the goods or services according to specified green procurement targets.

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<sup>1</sup> [Sustainable Procurement Guide](#), Commonwealth of Australia 2018.

<sup>2</sup> [Queensland Government - Integrating sustainability into the procurement process](#)

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- Asking the supplier to provide their annual environmental or sustainability report.
- Scheduling regular meetings to review performance against green procurement standards and performance targets.
- Tracking opportunities or identifying potentially adverse environmental or sustainability impacts in the supply chain.
- Identifying areas of continuous improvement.

These requirements should be outlined in the initial approach to market documentation and included in the contract.

### Disposal

Green procurement also involves considering end-of-life disposal practices and reducing waste. The Disposal Guideline provides guidance on how to ethically dispose of goods and meet the government's social, economic and environmental objectives.

### Further Supporting Resources

The [Department for Environment and Water](#) has several resources that outline the South Australian Government's commitment to reducing greenhouse gas emissions and building community resilience to climate risk.

[Green Industries SA](#) (GISA) is advocating for the benefits of a circular economy for South Australia – recognizing the opportunities for recycling, repair, reuse and remanufacturing, through circular solutions, can result in better economic, social and environmental outcomes. The [GISA waste and recycling procurement guidelines](#) provide information on how and when to consider changes to waste and recycling collection services and contracts, and guidance on preparing tender documents that encourage positive financial, contractual and environmental outcomes.

The Australasian Procurement and Construction Council's [Australia and New Zealand Government Framework for Sustainable Procurement](#) provides useful information on how to achieve green procurement outcomes.

The [Ceres Green Purchasing Guidelines](#) includes list of green procurement principles and desirable green attributes that should be considered during procurement planning.

There are also many international resources available to guide green procurement. For example, the [European Commission's buying green handbook](#).

# Green Procurement Guideline

## Attachment 1

The following is a guide for making green procurement considerations throughout each stage of the procurement process:

Stage		Consideration
<b>Procurement Planning</b>	Identify the business need	<ul style="list-style-type: none"> <li>Identify whether there is a need for the goods or services</li> <li>Understand the potential environmental impacts and risks</li> <li>Consider alternatives to purchasing e.g. repair, reuse, recycle or hire the goods/services or use established Government facilities</li> </ul>
	Conduct a risk impact assessment	<ul style="list-style-type: none"> <li>Identify factors that may impact/increase whole-of-life costs</li> <li>Assess environmental risks in the procurement or contract e.g. maintenance and disposal</li> <li>Determine any green procurement elements to include in the specification, contract management and reporting processes</li> </ul>
<b>Sourcing</b>	Market Analysis	<ul style="list-style-type: none"> <li>Research alternatives that may offer reduced environmental impacts such as increasing the product life</li> </ul>
	Approach the Market	<ul style="list-style-type: none"> <li>Determine how to assess and compare environmental performance</li> <li>Consider appetite to accept alternate bids</li> </ul>
	Award the contract	<ul style="list-style-type: none"> <li>Include reporting measures to ensure environmental outcomes are delivered</li> </ul>
<b>Contract Management</b>	Contract management	<ul style="list-style-type: none"> <li>Follow up and manage environmental performance</li> <li>Identify areas of continuous improvement relating to environmental performance</li> </ul>
<b>Disposal</b>	Disposal of goods or services	<ul style="list-style-type: none"> <li>Determine how goods will be disposed in an environmentally preferable way</li> </ul>

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## Attachment 2

The following provides further information to assist public authorities in identifying and understanding some of the more common issues and environmental impacts associated with the procurement of goods and services.

Category	Issues to consider
<b>Climate and emissions</b>	<ul style="list-style-type: none"> <li>• Climate change impacts associated with the production, distribution, use and disposal of the procurement.</li> <li>• Specific focus on greenhouse gases: carbon, methane (CH<sub>4</sub>), HFCs, PFCs, SF<sub>6</sub>, NO<sub>2</sub> and low-level ozone.</li> </ul>
<b>Energy, resources and water</b>	<ul style="list-style-type: none"> <li>• Energy use and efficiency e.g. renewable energy (solar, wind, wave, tidal).</li> <li>• Water use, efficiency and/or recycling.</li> <li>• Impact on water pollution, and measures to reduce discharges.</li> <li>• Volume and type of raw material and consumables related to the procurement.</li> <li>• Resource utilisation (renewability of resources).</li> <li>• Impacts on land use e.g. land clearance for farms, factories, mines, plantations causing habitat degradation and modification.</li> <li>• Recycled content of goods (reduces demand for virgin resources).</li> </ul>
<b>Pollution and waste</b>	<ul style="list-style-type: none"> <li>• Volume and type of waste associated with the production, distribution, use and disposal of the procurement e.g. hazardous or toxic waste.</li> <li>• Reusability and/or product recyclability.</li> <li>• Volume and impact of packaging.</li> <li>• Product efficiency and longevity: options for reuse, repair, upgrade or modification to increase product life.</li> <li>• Environmental pollution that reduces fertility and diversity of wild species.</li> <li>• Substances that impact human health or the environments associated with the production, distribution, use and disposal of goods. Such substances include:                             <ul style="list-style-type: none"> <li>- heavy metals (e.g. lead, mercury, cadmium).</li> <li>- ozone-depleting chlorinated compounds such as CFCs.</li> <li>- organic solvents (e.g. chlorinated and aromatic hydrocarbons).</li> <li>- carcinogens, mutagens, teratogens.</li> <li>- volatile organic compounds - phosphorous - phthalates (additives in PVC).</li> <li>- substances that bio-accumulate and result in acute or chronic toxicity.</li> </ul> </li> <li>• Reactivity, corrosiveness, flammability, irritation potential, toxic substances and pollutants.</li> </ul>
<b>Travel, transport and logistics</b>	<ul style="list-style-type: none"> <li>• Impact of air, road, rail or vehicle travel or transport requirements.</li> </ul>



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### Attachment 3

Below are examples of how a public authority could define and prioritise their green procurement objectives and how this information can be presented to potential suppliers in the market.

Green Procurement objective	Key considerations	Opportunities (examples)	Procurement specification options (examples)	Supplier Response Form (examples)
Energy	Energy use and source	Energy efficiency – e.g. products with at least 4-star energy rating or supplier demonstrates energy reduction in operations. Use of renewable energy.	Specify minimum energy rating for products. Specify 100% renewable energy.	Require suppliers to provide information on energy use, energy management systems, proportion of renewable energy.
	Transport	Use of low emissions vehicles. Develop sustainable travel plan to minimise travel. Require videoconferencing.	Specify low emissions transport only. Specify use of teleconference or video conference for proportion of all meetings where travel greater than 20km.	Require suppliers to develop sustainable travel plans which details the emissions associated with the travel proposed as part of the procurement. Require suppliers to detail how they minimise the environmental impacts of their travel.
Water	Water use and water sources	Water use and efficiency – e.g. products with at least 4-star water rating or supplier demonstrates water reduction in operations. Rainwater harvest, water recycling.	Specify minimum water rating for products. Specify actions/initiatives that will be required to address water pollution during manufacture and at the end of product life.	Require suppliers to provide information on water use, water management systems. Require suppliers to detail actions/initiatives to improve product water efficiency. Require suppliers to detail actions/initiatives that address water pollution during manufacture and at end of product life. Require suppliers to provide details of the Water Rating. e.g. Water Efficiency Labelling and Standards Scheme.
	Water quality impacts	Pollution prevention.	Specify zero tolerance for point source or diffuse pollution.	Require suppliers to describe proposed pollution prevention measures and their efficacy.
Climate	Climate resilience	Design for the future climate.	Specify net zero emissions associated	Require suppliers to describe how the design

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Green Procurement objective	Key considerations	Opportunities (examples)	Procurement specification options (examples)	Supplier Response Form (examples)
change mitigation and adaptation			with procurement	of the good or service will be resilient to climate change impacts.
	Greenhouse gas emission	Emissions reduction activities.		Require suppliers to provide estimate of emissions over lifecycle of procurement.
Resource use	Use of raw materials	Reusability and/or recyclability. Recycled content of goods (reduces demand for virgin resources). Renewable content of goods.	Specify recycled content, e.g. paper must contain at least 30% post-consumer recycled content. Specify the proportion of recycled material used in packaging e.g. 100% Specify certification requirements to evidence that products are sourced and legally harvested from sustainably managed forests.	Require suppliers to specify % of recycled and virgin fibre content, product source and manufacture with respect to responsibly managed forests, water use, labour, packaging and transportation. Require evidence verifying sustainably sourced timber products from sustainably managed forests through processing operations and supply chains e.g. Australian Standards for sustainable forest management.
	Use of non-renewable resources	Product efficiency and longevity Replacement with renewable inputs.	Specify acceptable % of non-renewable components or products.	If use of non-renewable resources is unavoidable, require suppliers to demonstrate how product design or approach will maximise longevity.
Waste	Volume and type of waste generated	Waste avoidance and minimisation. End of life options.	Specify requirements to reduce waste during product manufacture Specify supplier must provide product recycling at end of life.	Require suppliers to describe how the product could be reused or recycled, Repaired, upgraded or modified through its use or at the end of its life.
	Landfill	Recycling. Reuse, repair or replace options.	Specify procurement to have zero waste to landfill.	Require suppliers to describe how the product could be reused or recycled at the end of its life.
Pollutants and toxicants	Toxic and hazardous substances	Avoid or reduce generation of any toxic or hazardous waste.	Specify particular toxicants to be restricted or avoided. e.g. chlorine free stationery and paper,	Require suppliers to describe how they minimise the use or generation of toxic or hazardous substances. Require suppliers to specify toxic content of

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Green Procurement objective	Key considerations	Opportunities (examples)	Procurement specification options (examples)	Supplier Response Form (examples)
				their product.
	Ozone depleting substances	Ozone substitutes (note these often have high GHG emissions).	Specify zero tolerance for ozone depleting substances. Specify actions to reduce emissions to atmosphere during the product manufacture and during product use.	Require suppliers to provide evidence of correct disposal of refrigerants such as R22.
	Air pollution	Pollution prevention measures.	Specify zero tolerance for point source or diffuse pollution.	Require suppliers to describe proposed pollution prevention measures and their efficacy. Require suppliers to provide equipment retro-fit options, life extension or modular design alternatives with exchangeable parts.
Impact on natural habitat	Biodiversity Ecological communities and habitats	Species relocation. Vegetation offsets.	Specify zero tolerance for impacts on rare or threatened species or communities.	Require suppliers to describe how they will minimise impacts on ecological communities or habitats. e.g. require suppliers to provide evidence of damage mitigation permits to remove habitat or relocate wildlife. Require suppliers to provide evidence that animals used for materials in the production of goods are not listed as endangered, threatened with extinction or subject to controlled trade.