Australian Government

Sustainable Procurement Guide

A practical guide for Commonwealth entities

Cataloguing data

This publication (and any material sourced from it) should be attributed as: Australian Government 2021, *Sustainable Procurement Guide,* Department of Agriculture, Water and the Environment, Canberra, November. CC BY 4.0.

ISBN 978-1-76003-486-3

This publication is available at https://www.awe.gov.au/environment/protection/waste/publications/sustainable-procurement-guide.

Department of Agriculture, Water and the Environment
GPO Box 858 Canberra ACT 2601
Telephone 1800 900 090
Web awe.gov.au

Contents

Foreword

As Australians it is our responsibility to take care of the waste we produce.

There are many ways we can do this. We can reduce the purchase of products with excessive or unnecessary packaging; repair or reuse items rather than throwing them away; and improve our recycling habits.

Australian Government agencies can take responsibility for waste through sustainable procurement practices, such as buying and using recycled content. This can also provide greater value for money – a fundamental principle of Commonwealth procurements.

An example is Viscount's noise walls made from post-consumer recycled milk bottles. These walls, which are manufactured in Australia, can be used to create sound barriers between freeways. They have a longer life than timber, have a lower carbon footprint than concrete, are easy to repair, require less maintenance than alternative products and can be fully recycled at the end of their life. When you take into consideration these financial and non-financial benefits over the whole life of the product, it represents value for money. This is good for the community, good for the environment, and good for the economy.

We have taken ambitious action on waste under the *National Waste Policy Action Plan*. Actions include banning the export of waste plastic, paper, glass and tyres and making major new investments like the $190 million Recycling Modernisation Fund, the $167 million Australian Recycling Investment Plan and over $60 million in new funding to improve waste data and implement the action plan.

These unprecedented investments will help to make Australia a world leader in waste and recycling. We are taking responsibility for our waste, expanding industry capability, and supporting the long-term viability of the industry by building demand. Government agencies need to use their purchasing power to significantly increase our use of recycled content. As early adopters of sustainable procurement, The Netherlands have years of experience and helpful case studies that demonstrate the benefits of government working with industry to maintain the value of waste resources. We can look to these examples and draw on their expertise as we apply sustainability to our own procurements.

On 2 March 2020, the Prime Minister pledged that *every procurement undertaken by an Australian Government agency will consider environmental sustainability and the use of recycled content when determining value for money*. This Sustainable Procurement Guide is a practical resource to help agencies achieve this commitment.

Commonwealth agencies should take steps to track and report on their sustainable procurement practices, measure the impact of their actions, and demonstrate improvement. The Department of Agriculture, Water and the Environment is developing guidance to help agencies identify, track and report on their use of recycled content. This will demonstrate our progress against the *National Waste Policy Action Plan* targets.

I commend this guide to all Australian Government agencies and encourage positive and decisive action to buy sustainably.

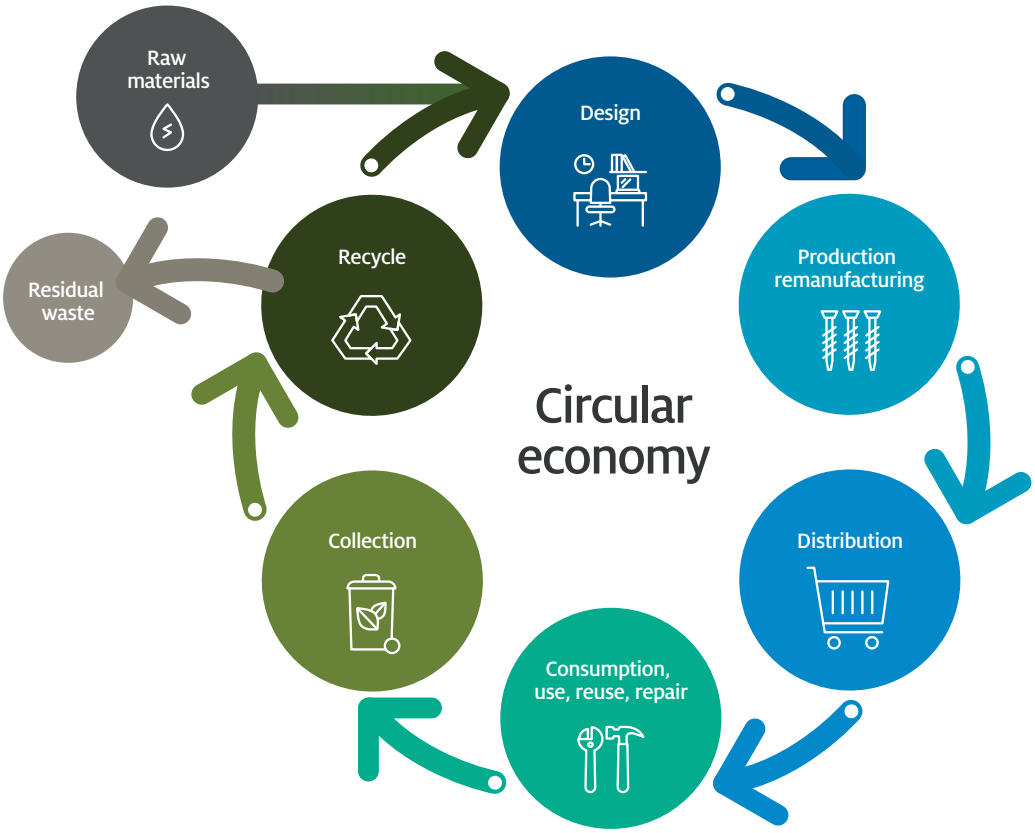
Our waste is our responsibility.

The Hon. Sussan Ley MP
Minister for the Environment

Introduction

The Australian Government is committed to transforming Australia's waste into a resource, where most goods and services can be continually used, reused, recycled and reprocessed as part of a circular economy (refer Figure 1). This requires changes to be made to all stages of the supply chain, from product design to disposal. However, without stable demand, there is little incentive for the investment in innovation or infrastructure needed to effect these changes.

Figure 1 Circular economy



Sustainable procurement helps build a circular economy, aiming to reduce adverse social, environmental and economic impacts of purchased goods and services throughout their life. This includes considerations such as waste disposal and the cost of operations and maintenance over the life of the goods and services. Australian Government officials need to consider these impacts when making procurement decisions in line with our obligation to spend public money efficiently, effectively, economically and ethically.

As a key principle of the National Waste Policy, the Australian Government has committed to consider environmental sustainability when purchasing goods and services. Under Target 4 of the National Waste Policy Action Plan all levels of government and industry have committed to significantly increase their use of recycled content. The Australian Government has committed to using its purchasing power to help build demand and markets for products containing recycled content. This can be achieved through embedding sustainability in contracts where there is opportunity for recycled content (particularly glass, paper, tyres, plastics) to be procured.

Some of the economy-wide benefits of buying recycled content are listed in Table 1.

Table 1 Benefits of buying recycled content

Party	Benefit
Purchaser (Government) 	Savings as recycled materials require less water and energy to produce. Long-term value for money by reusing public resources made from recycled content. Public recognition for purchasing and using products and/or services with recycled content. Demonstrating social and environmental leadership.
Market 	Increased demand for products using recycled content, promoting market growth and development. Increased market opportunities for local businesses. Support for businesses that innovate. Encouraging industry to operate in a clean, green economy. Reputational benefits for early adopters and market leaders.
Society and the environment 	New jobs and skills in the recycling industry support local communities. Fewer natural resources used. Less waste directed to landfill. Encouraging the development of Australia's waste circular economy. Lower consumption of water and energy. Reduced greenhouse gas emissions which will lower air and water pollution.

The *Sustainable Procurement Guide* provides a framework for the Australian Government to build on efforts to improve sustainability outcomes and mainstream sustainability principles in future procurement.

Scope and use of this guide

The Commonwealth Procurement Rules (CPRs) are the basic set of rules for all Commonwealth procurements. The CPRs govern the way in which entities undertake their own procurement processes. The CPRs specify that when assessing value-for-money, an official **must** consider the environmental sustainability of the proposed goods and services (such as energy efficiency, environmental impact and the use of recycled products).

This guide provides step-by-step guidance on how to consider sustainability in the different stages of the procurement process, from identifying the business need to the end of the contract, including review and reporting. It is designed to be sufficiently flexible for entities to apply the guidance within their own departmental frameworks and—where it applies—the Commonwealth Contracting Suite.

This guide is for officials in non-corporate Commonwealth entities and prescribed corporate Commonwealth entities listed in S30 of the Public Governance, Performance and Accountability Rule 2014.

Table 1 provides further detail on sustainable procurement and how to include sustainable procurement in value for money assessments.

Appendix B provides case studies and additional support tools for procurement of goods and services containing recycled content. Many of the case studies have been sourced from other jurisdictions (i.e. states, territories and other countries), which are not covered by the CPRs. They are intended to illustrate sustainable procurement in action.

Appendix C provides information on ecolabels, certifications, standards and product stewardship schemes.

Appendix D provides model clauses for approach-to-market requirements and contract terms to help deliver the intended sustainability outcomes for a procurement.

For assistance using this guide or implementing sustainable procurement please contact the Department of Agriculture, Water and the Environment at sustainable.procurement@awe.gov.au.

Sustainability in procurement

Value for money is the core principle underpinning Australian Government procurement. Value for money is not simply the lowest price. Officials must take into account all relevant costs and benefits over the entire life of the procurement. The CPRs affirm that sustainability is an important consideration in this assessment.

Where appropriate, officials should consider sustainability factors such as:

- energy consumption
- greenhouse gas emissions
- reduction of waste
- use of recycled products
- reduction in hazardous substances
- packaging
- end-of-life recycling.

Value for money is not simply the lowest price. Using a sustainable approach can improve value for money achieved by the procurement and encourage innovation.

Sustainable procurement practices include:

- devising strategies that reduce demand and extend the life of the product
- planning what happens with a product at the end of the contract, how will it be re-used, recycled or disposed of, to encourage potential suppliers to address this from the beginning
- considering costs over the life of the good or service and policies in the planning process (such as potential increases in energy prices)
- encouraging sustainable solutions and innovation in tenders
- measuring and improving sustainability throughout the life of the procurement.

This guide provides a step-by-step approach to integrating sustainability into procurement (refer to Figure 2). Tools are provided throughout the guide to assist with each step.

Figure 2 Integrating sustainability in the procurement process

Step 1: Plan the procurement

- Identify the need
- Identify sustainability outcomes
- Assess the risks and opportunities
- Undertake market research and engagement

This section provides guidance on how to consider sustainability principles when planning your procurement.

1.1 Identify the need for the goods or services

Avoid and reduce waste by critically considering the business need for procurement. By using demand management strategies, you can avoid excess consumption and reduce unnecessary purchasing costs. Demand management can be as simple as asking 'Is this really needed?'. Strategies include:

- identifying alternatives to buying including reusing, hiring or sharing goods/services
- identifying actions to reduce the amount of goods or services to be purchased, for example combining behaviour change and technology
- defining the functional and performance requirements at strategic and tactical levels to achieve the most appropriate outcome.

Some recent examples of how the Australian Government has applied demand management include:

- The Major Office Machines panel arrangement is moving towards making print release software the default position for networked devices. This software is also called Print on Demand or Follow-me Print, among other names. This reduces the environmental and financial impact of printing, as it reduces paper and toner consumption, as well as lowering the costs of maintenance and energy.
- The Department of Agriculture, Water and the Environment prioritised waste minimisation and recyclability for the 2020 National Plastics Summit. Delegate lanyards were made from recycled plastic bottles, name badges were printed on recycled card, signs were made from recycled corflute, single-use coffee cups were banned and delegates were required to return their lanyards for reuse. Technology was used to avoid paper waste, a Summit app was set up for delegates to access the program online, network and receive information and updates from the conference organisers.
- The Department of Defence is developing a strategy to phase out unnecessary and problematic plastics in its hospitality and catering. This will achieve both a reduction in waste generation and a reduction in the requirement for reverse logistics. This strategy will focus on reusable alternatives first.
- Under the Whole of Government Property Services Arrangements, Jones Lang LaSalle is completing a Green Star Interiors pilot fit out project. The project targets initiatives to reduce waste in construction, operation and demolition. This includes diverting at least 90 per cent of construction waste (by mass) away from landfill. Many of the products for this project have been specified to include sustainable credentials such as third-party certifications.

1.2 Identify and prioritise the sustainability outcomes

After confirming the need for the good or service, determine and prioritise potential sustainability outcomes of the procurement. Then, identify approaches to realise these outcomes.

For example, the timber used to make a table may have a significant environmental impact, particularly if its source cannot be verified or it cannot be recycled. This prompts thinking about alternative ways to buy a sustainable table. Could the timber be substituted with a material identified as having a lower environmental impact, such as reclaimed timber (timber taken for reuse), a composite of wood waste and recovered plastic, or timber from a certified source?

When determining your priorities, you should consider relevant government sustainability and environmental policies. For example, the *National Waste Policy* provides a framework to manage waste sustainably and commits the Government to buy more recycled content.

Tool 1: Sustainability impact assessment

Use the following questions to identify and assess opportunities to improve the potential sustainability outcomes of procurement.

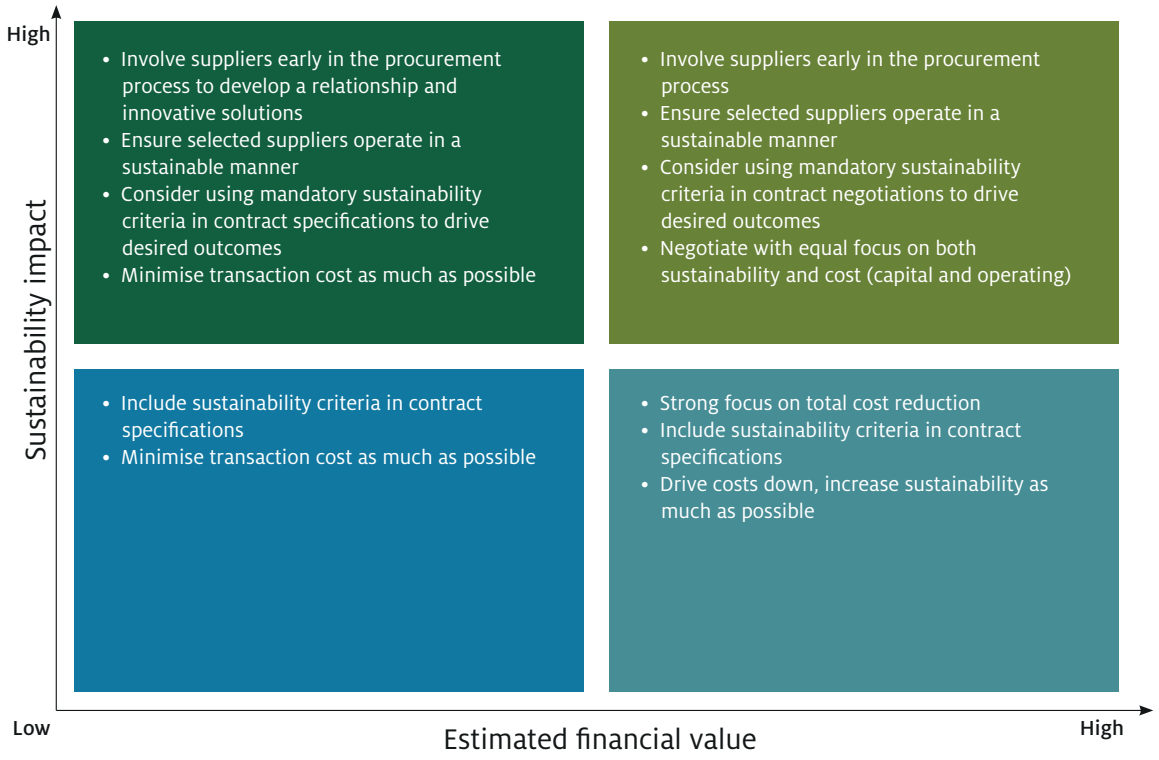
- Is it possible to include circular procurement in the scope of service, such as a requirement that the supplier uses recycled content or that any goods used are recyclable at the end of their life?
- Is recycled content used whenever possible when manufacturing the goods or undertaking a service? Are there similar goods or services, using more recycled content?
- Does the process generate recyclable material that can be reprocessed? If not, how will the goods be disposed of?
- During the operational stage, do the goods or service produce excess greenhouse gas emissions, use excess energy, water or additional resources because it is being made from virgin material instead of recycled material? Could any excess be avoided?
- What type of packaging is used for the goods or while undertaking the service? Does the packaging contain recycled content, can a higher content of recycled plastic, glass or paper be used and is the packaging recyclable at the end of its life?
- What options are available to extend the longevity of the product for example, reuse, repair, upgrade or modify?

Once you have identified the desired sustainability outcomes and know the approximate financial value of the contract, use the framework in Figure 3 to determine approaches to include sustainability in your procurement.

For example:

- The procurement of a new building construction will have a high estimated financial value. Based on the opportunities to avoid use of virgin materials, reduce carbon emissions and water consumption during construction it will also have high potential for sustainability outcomes.
- While the procurement of catering for a small event may have a relatively low estimated financial value, it may also have high potential for sustainability outcomes, for example by delivering a zero waste event, and using goods made from recycled content.

Figure 3 Approaches to include sustainability in procurement based on impact and value



1.3 Assess risks and opportunities

Next conduct a risk assessment for the procurement, taking into consideration the sustainability risks. Where available, you should use your entity's risk framework and templates.

For procurements with a high potential sustainability outcome (based on Figure 3) consider the risks throughout the whole life cycle of the goods or service being procured. This may require technical input from stakeholders.

Table 2 provides example questions to help identify risks when procuring recycled content. The questions should be adapted to suit the sustainability outcomes prioritised for your procurement.

Table 2 Identifying sustainability risks

Element	Key questions to identify sustainability risks	Supporting questions to identify sustainability risks
Organisational need	Does your entity have a sustainability policy, including a policy on the use of recycled content? Review the list of opportunities to improve the sustainability outcomes made from your impact assessment. Can recycled content be included in the procurement?	Are there other specific targets, objectives or policies for government (besides the *National Waste Policy*)? Does your entity have any specific targets or objectives to increase its procurement of recycled content?
Sustainability outcomes/impact	What is the scope for improvement i.e. to increase the tonnage/percentage of recycled content in this project? What are the costs/benefits of introducing higher requirements for recycled content in this procurement?	What are the major components in the purchase that could involve using recycled content (glass, paper, plastic, tyres etc)? What are possible mitigations to reduce the impact of any sustainability risks? What are the reputational benefits of using recycled content?
Market analysis	Are products containing recycled content available on the market? If not, does the market have capacity, interest and time to respond? Can the buyer or supplier manage the risk or opportunity?	What is the capability of the market to address demand? Are there available products or materials using recycled content on the Australian market ? Is there a need to encourage innovation around new products or services containing recycled content and to build market capability?
Cost analysis	What are the financial impacts from these sustainability impacts? Will it be cost-efficient to increase recycled content in the procurement?	Is there a financially sound (within budget) solution/product/service available on the market that can be used?

Tool 2: Example risk assessment and prioritisation

Table 3 provides an example assessment and prioritisation of sustainability-related risks. Please refer to your entity's risk framework, as this is an example only. Your entity may have its own priorities that will influence the importance of sustainability risks. You should prioritise your sustainability risks accordingly.

Table 3 Example risk assessment and prioritisation

Risk	Key question	Likeli-hood	Impact	Rating	What are the mitigations / opportunities to address the risks	Updated rating	Priority
The product has a high environmental impact	Is recycled content being used instead of virgin material, as a construction material for the new building or office fit out, whenever possible?				Use recycled content where possible, and/or increase the percentage of recycled content already used		High
The product does not contribute to the entity's recycling targets	Can the product and its components be recycled at end of life? Is the packaging used for the product recyclable and made of recycled content?				Use content that is recyclable or bio-degradable at end of life		Medium
The life cycle cost of the product is high	Does the manufacturing process require high energy use because it is using virgin materials?				Choose a material and process that has a low energy rating		Medium
The recycled content cannot be verified	Does the product/ building/ construction/ service class have any recognised third party certifications such as ISO/ecolabel?				Check for ISO or other reputable certifications or ecolabels that include recycled content or product stewardship schemes		Low
The decision could have reputational impacts	Does the product meet public and key stakeholder expectations of the entity's values? Does the product meet organisational policies?						Medium

The risks identified in the assessment need to be mitigated (managed) to an agreed level. If possible, this should also enable the realisation of any potential opportunities identified through the assessment. Possible mitigations for risks are:

- adopt demand strategies such as reusing, hiring or sharing goods or services to avoid unnecessary consumption and to manage demand
- purchase goods that contain recycled content
- purchase goods that can be reused, repaired and recycled at the end of their life
- set technical or performance requirements to target goods and services that minimise environmental impacts. For example, procure a good or service that has been accredited with an appropriate ecolabel/standard/certification or are disposed of under a product stewardship scheme (refer to Appendix C)
- request the environmental management practices of the potential supplier such as adherence to ISO14001: Environmental Management Systems
- determine the costs of the carbon emissions, pollutants, energy and water over the life cycle when using virgin material compared with recycled material
- encourage innovation in goods and services by asking for higher percentages of recycled content through the design and implementation of the procurement.

1.4 Undertake market research and engagement

In the risk assessment you may have identified the need to undertake market research. This can identify alternative approaches or goods or services that reduce sustainability risks and impacts. Factors to consider include eco-labelling, sustainability certification or membership of product stewardship schemes.

Also consider the potential of emerging technologies and goods that are under development to meet the procurement need and deliver improved environmental outcomes.

Adopting alternative or innovative approaches must not create any unnecessary obstacle to trade, or result in a potential supplier having an unfair advantage over other potential suppliers.

Engage with the market

Engaging the market in the planning stages of the procurement can encourage market innovation or help to identify potential suppliers. Industry briefings can provide potential suppliers with enough time and information to develop a new product or service that meets the procurement need and uses recycled content.

Sustainable goods and products databases

Ecospecifier Global is a database of certified and verified sustainable products. Ecospecifier provides relevant information on verified and certified products as well as research and assessment on green building materials and education and training materials on green building design and materials.

Good Environmental Choice Australia (GECA) is a product database that can help you choose goods and services across a number of sectors that are better for the environment.

Product Stewardship Schemes where industry takes voluntary action to reduce the environmental, health and safety impact of their products. Member organisations can be found by following the links on the awe.gov.au website.

Before engaging with the market, check with your procurement team and the relevant guidance on the Department of Finance website regarding how to approach the market and conduct market research.

A case study: Cradle to Cradle principles, City of Ludwigsburg, Germany can be found at Appendix B. The study demonstrates where early market engagement was used to procure more sustainable materials and achieve long-term operational cost savings.

Checklist – Plan the procurement

Use this checklist for planning your procurement.

		Done
1.1	Have you considered alternatives to purchasing (e.g. repairing, reusing, leasing or hiring)?	☐
1.2	Have you identified and prioritised the sustainability outcomes of your procurement?	☐
	Have you considered the capacity of your procurement to contribute to your entities or whole-of-government objectives and targets?	☐
1.3	Have you identified the risks and opportunities?	☐
	Have you considered sustainability in your risk assessment?	☐
	Have you prioritised the sustainability risks? Use Figure 3 *Approaches to include sustainability in a procurement based on impact* and value; Table 2 *Identifying sustainability risks and opportunities*; Table 3 *Example risk assessment and prioritisation.*	☐
1.4	Have you researched the sustainable options available in the market?	☐
	If appropriate, have you consulted the market to encourage innovation?	☐
	When designing your procurement, have you considered innovation in sustainable goods and services?	☐
Case studies	Review the case studies for recycled content in Appendix B.	☐

Step 2: Approach the market

- Specify sustainability requirements
- Develop Key Performance Indicators (KPIs)
- Develop evaluation criteria

This section outlines the steps you can take to introduce sustainability requirements into the relevant Approach to Market (ATM) documentation. Once the sustainability requirements for your procurement have been defined, they can be introduced to potential suppliers in relevant ATM documentation, along with the associated key performance indicators (KPIs) and evaluation criteria.

2.1 Specify sustainability requirements

When developing the ATM documentation, you need to consider how to incorporate the sustainability priorities identified for your procurement.

The scope, scale and risk of the procurement will guide the degree to which sustainability requirements will form a part of the ATM. Sustainability priorities and risks can be included in the ATM documentation using any of the following:

- **physical or descriptive requirements**, which specify characteristics of the goods or service (e.g. contain recycled content).
- **functional requirements**, which specify the proposed function for the goods or service to fulfil (e.g. specify the function of the surface of the road to be constructed).
- **performance requirements**, which define the performance standards to be met by the goods or service (e.g. percent of waste diverted from landfill).

Within your ATM documentation, requirements can be categorised as either mandatory, minimum or desirable. Examples of different requirements you could include in your ATM.

- A **desirable requirement** sets a requirement for a goods or services provider that is wanted by the government entity but not compulsory (e.g. the offsetting of carbon emissions from transport is desirable).
- A **minimum requirement** sets the lowest level to be met and may be exceeded (e.g. a minimum requirement for packaging to contain at least 50 per cent recycled content).
- A **mandatory requirement** is a requirement that must be met (e.g. setting a requirement that a building must have a 5 star Green Star certified rating).

Wherever possible, you should also incorporate any relevant agreements for the management of packaging and end-of-life take-back of goods into these requirements.

A case study: Sustainable procurement under the Whole of Australian Government Property Services Arrangements is provided in Appendix B. One of the suppliers, Jones Lang LaSalle, has specified in their consumables contracts that contractors are to purchase products with sustainability accreditation and/or recycled content. Data provided by contractors for the April–June 2020 quarter indicates nearly 80 per cent of the spend was for products covered by a product certification or with recycled content.

Appendix B contains a number of other case studies and considerations to assist you with developing specifications and requirements regarding recycled content.

Examples of sustainability requirements that may help achieve the targets in the National Waste Policy Action Plan include:

- plastic, paper and glass packaging contain a set percentage of recycled content, aligned with the Australian Packaging Covenant Organisations' National Packaging Targets
- buildings or refurbishments are constructed to satisfy the requirements of specific criteria as part of achieving sustainable building certification or ISO standards
- supplies, furniture and fittings include recycled content and can be recycled at the end of their life
- service providers are to avoid the use of goods made from problematic and unnecessary plastics
- suppliers are participating in an accredited product stewardship scheme
- food waste generated from events and excess catering to be collected by a food collection service (e.g. OzHarvest, Foodbank, Ywaste).

You can also use relevant ecolabels, certifications and Australian or international standards to verify the environmental claims and credentials of goods and services. This includes their environmental labels and declarations, and self-declared claims of recycled content, recyclability, compostability and biodegradability. Where self-declare claims are specified, you should ensure that self-declarations arre reliable and not the subject of greenwash.

Rating and certification schemes for capital works projects, such as buildings or refurbishments can be used as a framework for benefits realisation, in addition to helping evaluate, verify and communicate a project's sustainability achievements. They can be aligned to the targets and objectives of the *National Waste Policy Action Plan* to drive key outcomes, such as specifying the use of products and materials with lower impact, and reduction in waste to landfill. These schemes also have the benefit of facilitating comparisons across multiple projects, allowing verification of performance, supporting measurement of progress and helping to build capacity in government and industry.

Ecolabels, certifications, standards and product stewardship schemes can be useful tools to distinguish between the environmental credentials of potential suppliers and can be included when defining requirements of the procurement. However, ecolabels cannot be used to describe the specifications of the goods or service being procured. You need to provide appropriate descriptions (specifications and requirements) for the goods and services as well as referring to relevant ecolabels. Refer to Appendix C for a list of ecolabels, standards and certifications commonly used in Australia and product stewardship schemes. It is recommended that you carefully consider and check the credentials and validity of any labels or certifications, standards or schemes. To do this you can check their independence, make sure they are certified by a third party and have a transparent verification system.

You may also want to include sustainability questions in your ATM documentation by asking how the potential suppliers are going to manage the key sustainability risks/opportunities. The ATM should be structured to trigger an appropriate design and specification response from respondents. This includes a clear expectation that the ATM is seeking evidence of the respondent's demonstrated experience on the relevant sustainable priorities and use of relevant certifications and ecolabels. For example, you may ask the potential supplier to describe how they will monitor a specific sustainability risk such as ensuring a clean supply of recyclable material and what method/process they will use. For higher risk procurements you could consider undertaking site visits to aid the selection of the preferred supplier.

A case study for introducing organic waste recycling by Services Australia highlights where a clean supply of recyclable material is important and how a site visit was conducted before determining the preferred supplier:

Services Australia has successfully diverted 95 per cent of its **food waste from landfill** via an organic waste trial completed at its second largest commercial office building in the ACT. After conducting a site visit, GoTerra was engaged to collect and recycle organic waste. GoTerra provided on-site bin caddies and signage and collected the waste weekly. Over the 12-month trial, approximately 1.7 tonnes of organic waste were diverted from landfill and converted into livestock feed for reuse by Australian farmers. Rollout of the trial at other Services Australia sites is under consideration.

See Appendix D for more detail and examples of sustainability requirements that could be included in your ATM documentation.

It is important that you are transparent about the key sustainability requirements and the evaluation criteria that will be used, to help potential suppliers develop their responses. The development of evaluation criteria is discussed in Step 2.3.

In the ATM, you must specify the documentation potential suppliers are required to provide to support their sustainability claims. The level of review of a potential supplier's sustainability claims depends on the relative scale, scope and complexity of the procurement. It may be enough to request basic information such as ecolabels or constituents of products. A complex and high value purchase will require more detailed assessment of the potential supplier's policies, impacts and goods or services to be supplied. It is important to note that the requirement for detailed responses and documentation can lead to costs for tenderers. This should be taken into consideration when developing the ATM documentation.

2.2 Key performance indicators

The development of key performance indicators (KPIs) allows for the performance or success of a particular sustainability requirement to be measured and tracked throughout the duration of a contract. The sustainability requirements must be specified in the ATM documentation.

Once you have identified the sustainability requirements to be included in the contract—as KPIs or reporting requirements—you should seek legal advice from your entity's legal team before including them in the ATM documentation.

You should set KPIs that are 'Smart, Measurable, Achievable, Realistic and Timely (SMART)' to ensure they can be tracked and monitored appropriately.

Tool 3: Develop KPIs and targets

The template at Table 4 can be used to develop appropriate KPIs and targets specific to the procurement. It includes example KPIs and targets for contracts.

Table 4 Example KPIs and targets

Impact	Action to address impact	KPI	Target	Actual (calculation sample)	Responsible	Accountable
Identify key impacts (e.g. use of virgin materials, greenhouse gas emissions, toxic waste, water consumption)	Include any comments about the issue	Identify KPI (e.g. percentage of recycled content in material, percentage use of recycled water, percentage of waste recovered)	Set target for overall performance (e.g. all packaging should include a minimum of 20% recycled content)	How the KPI and the target will be compared (e.g. weighted average of percentage recycled content in materials purchased under contract)	Person responsible for reporting of the KPI	Person accountable for the KPI
Use of virgin material	Introduce recycled content	Percentage of recycled content in material	50%	Weighted average of percentage recycled/ compostable content		
Landfill	Contractual measures to reduce disposal to landfill	Tonnes of waste diverted from landfill	2,000 tonnes per annum/ contract	Tonnes of waste landfilled (from weigh bridge receipts)		
Improving soil quality	Contractual obligation to provide a certain standard	Comply with Australian Compost Standard AS4454	90%	Total cubic metres of end product produced versus processed		

Case studies have been included in Appendix B to demonstrate the use of KPIs, reporting requirements and targets for the use of recycled content in goods and services.

2.3 Setting evaluation criteria

When developing your ATM documentation, include evaluation criteria to assess the sustainability requirements.

The following types of criteria can be used to evaluate a potential supplier's response to the sustainability requirements:

- **Qualifying** sustainability criteria may be used to set minimum standards for the procurement. These should be clearly articulated to ensure potential suppliers are aware and are treated equitably. The potential supplier must meet or intend to meet these criteria prior to commencement of the contract (e.g. asking a potential supplier to comply with the Australian Packaging Covenant Organisation's packaging standard).
- **Rated** criteria are weighted to allow bids/proposals to be scored and ranked in order of merit.
- **Quantifiable** criteria are applied to prices to enable comparison between responses (e.g. energy consumption, carbon emissions or disposal of waste to landfill avoided).
- **Fit for purpose** criteria are used to identify and evaluate whether goods or services have limited performance, have higher repair or replacement costs, are over engineered or have unwanted functionality.

Evaluation criteria can be weighted to indicate to potential suppliers the relative importance of each criteria and therefore indicate where to focus their efforts when responding to the ATM. Sustainability criteria weightings should be considered relative to other priorities for the procurement.

A case study of **renovating the façade of an unused warehouse to create a sustainable youth centre** in Spain can be found in Appendix B. It demonstrates where qualifying and quantifying criteria were used to evaluate potential suppliers and to encourage the use of more sustainable materials and achieve long-term operational cost savings.

Tool 4: Sustainability evaluation criteria

Example evaluation criteria for the use of recycled content are provided in Table 5 and Table 6. The following lists are not exhaustive and should be used as a basis for the development of bespoke evaluation criteria.

Table 5 Examples of qualifying evaluation criteria for recycled content

Criteria type	Criteria	Score	
		Yes	No
Qualifying	Third party certifications including relevant ecolabels that incorporate recycled content	All relevant certifications acquired	No certifications
Qualifying	Problematic or unwanted plastic content should be avoided	The products do not include this material	The products contain problematic or unwanted plastic. Response does not qualify

Table 6 Examples of rated and quantifying criteria for recycled content

Criteria type	Criteria	Score		
		High	Medium	Low
Rated	The level of recycled content used and recycled by applying the Material Circularity Index (MCI) (refer to Step 3 for MCI)	Greater than 0.75	Between 0.3 to 0.75	Less than 0.3
Rated	Recycled content to be greater than 25% (note that percentage will vary depending on product and material)	Greater than 80% recycled content of glass in new glass bottle	Between 51% to 80% recycled content	Less than 50% recycled content
Rated	Energy efficiency of a good (rating will vary depending on product)	5 star rating	4 star and above	Below 4 star rating
Rated	Percentage of waste disposal to landfill at end of life	No disposal to landfill	Greater than 20% to landfill	Greater than 80% to landfill
Quantifying	Amount of carbon emissions produced during manufacturing and operation (tCO_2e)	Less than 10 tonnes per annum of CO_2	Less than 25 tonnes per annum of CO_2	Less than 50 tonnes per annum of CO_2

Weighting of individual sustainability criteria needs to be done on a case-by-case basis. You need to consider all the procurement priorities relevant to your specific procurement activity. Remember, price is not the sole factor when assessing value for money. You must consider the relevant financial and non-financial costs and benefits, including sustainability and whole-of-life costs.

Checklist – Approach the market

Use this checklist for implementing sustainability requirements and specifications in your approach to market documentation.

		Done
2.1	Have you complied with your entity's sustainability policies?	☐
	Have you developed and included sustainability specifications, when defining the requirement and corresponding evaluation criteria?	☐
	Have you determined which sustainability requirements are mandatory, minimum and desirable?	☐
	Have you identified what information is required from potential suppliers to make robust decisions based on whole-of-life costs for your agency?	☐
	Have you specified a disposal method to ensure the maximum percentage of materials is recycled?	☐
	Have you included appropriate questions in the ATM documentation that can be used to evaluate how the potential suppliers will manage sustainability risks and opportunities?	☐
	Have you identified any relevant ecolabels, certifications and standards to be applied to the contract? Refer to Appendix C.	☐
2.2	Have you developed relevant KPIs for the contract to monitor performance? Use Table 4 *Example KPIs and targets*.	☐
2.3	Have you developed appropriate evaluation criteria to assess responses to the sustainability requirements? Use Table 5 *Example evaluation criteria for recycled content*.	☐
Case studies	Review case studies and recommendations that are relevant for your procurement in Appendix B.	☐

Step 3: Evaluate and engage

- Assess tender responses
- Debrief unsuccessful tenderers

This section provides guidance on how to include sustainability considerations in the value-for-money assessment of tender responses.

3.1 Assess tender responses including value for money

You must assess tender responses in accordance with the evaluation criteria detailed in the ATM documentation and evaluation plan. Entities must comply with the relevant CPRs when evaluating tender responses.

Achieving value for money is the core rule of the CPRs and is discussed further in Appendix A. **Price is not the sole factor when assessing value for money.** Lower costs of a product or service may be overshadowed by much higher economic, environmental or social costs over the whole life of the product or service. You must consider relevant financial and non-financial costs and benefits of each response. This includes the environmental sustainability of the proposed goods or services such as use of recycled content.

Whole-of-life costs take into consideration the total cost of a product over its lifetime, including acquisition, maintenance, operation and disposal costs. There are several tools you can use to help assess whole-of-life costs of the procurement. Two commonly used tools are the Life Cycle Cost (LCC) model and the Materials Circularity Index (MCI). The LCC model calculates the long-term costs for goods or a service, beyond the initial price for the procurement. It helps put a monetary value (where possible) to sustainability outcomes, such as carbon emissions, electricity, resource use, disposal or local air pollutants. The MCI tool calculates how well the product is using recyclable material instead of virgin material, how much of the product can be reused or recycled, and how much waste will need to be sent landfill.

Tool 5: Using Life Cycle Cost to assist in measuring value for money

The Life Cycle Cost (LCC) of goods and services can assist in measuring the value for money of any procurement. More information on calculating the life cycle costs and whole-of-life costs in tender evaluation can be found in Appendix A. To evaluate tender responses with an LCC tool, you must request relevant information from potential suppliers in the ATM documentation (see Step 2 and Appendix D).

The European Union's website for Green Public Procurement provides several different LCC models for a variety of different products.

Tool 6: Using the Materials Circularity Index to assess circularity

The Materials Circularity Indicator (MCI) calculates how 'circular' a product is by generating a circular index/value for each good. The MCI does not measure economic value but can support decision-making on product design and material procurement. The MCI tool can be accessed via the Ellen MacArthur Foundation website. To enable you to calculate the MCI value for goods you must request relevant information from potential suppliers in the ATM documentation (see Step 2 and Appendix D).

3.2 Debrief unsuccessful tenderers

In accordance with the CPRs, following the rejection of a tender response or the award of a contract, debriefings must be made available to all tenderers. This is an opportunity to discuss areas where unsuccessful tenderers did not meet the criteria, including any sustainability criteria. This can help increase knowledge in the marketplace about sustainable procurement and improve future responses to procurement requests. On request, briefings should be provided to successful tenderers.

Checklist – Evaluate and engage

Use this checklist for evaluating your procurement and engaging with tenderers.

		Done
3.1	Have you chosen a method to assess whole-of-life costs for your procurement (e.g. LCC or MCI)?	☐
	Have you included LCC or MCI questions in the ATM documentation (if you are using either of them)?	☐
	Within value-for-money considerations, have you chosen the option that contains recycled content, or goods that can be reused, repaired or recycled at the end of their life?	☐
	Have you ensured that KPIs and requirements related to sustainability are clearly set out in the contract, alongside necessary incentives to ensure the supplier meets their sustainability obligations?	☐
3.2	When debriefing unsuccessful suppliers, did you discuss sustainability criteria that were not met?	☐

Step 4: Report and manage

- Monitor sustainable compliance, performance and disposal of goods
- Disposal of goods

This section provides guidance on how to monitor the supplier's performance after the contract is awarded and ensure the sustainability requirements are implemented.

4.1 Monitor compliance and performance

Any standards and specifications, including KPIs and compliance measures, identified in the ATM must be reflected in the contract and monitored throughout the life of the agreement.

You should ask for relevant information from the supplier as agreed in the contract and ensure the supplier reports on the KPIs at the intervals agreed in the contract. Areas where the supplier has not met the contracted requirements should be addressed in accordance with the contract. Advice as to how to address underperformance and non-compliance should be sought from your procurement or legal teams. The following examples could be used to monitor the compliance of the sustainability requirements within a contract:

- Asking a supplier to provide their annual environmental or sustainability report or report on key environmental performance indicators during the term of the contract.
- Asking the supplier for a quality test of the end product, service or goods according to specified KPIs.
- Perform regular site-visits to monitor the supplier's performance.
- Schedule ongoing contract meetings, for example on a monthly or quarterly basis, to review performance against KPIs and targets.
- Asking for regular reports tracking improvements in the supply chain or identifying potentially adverse impacts.

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

4.2 Disposal of goods

At the end of life, goods can be disposed of in a variety of ways, with the least preferable option being landfill. Where possible and relevant, the disposal of goods and materials should have been considered already as part of the procurement planning stage.

The following options could be used to ensure goods or materials used or generated in supplying a service are recycled or recovered:

- recycle through a commercial kerbside recycling collection service
- recycle with help from a specialist recycler (e.g. E-waste recycler)
- the supplier takes back the product through a product stewardship scheme (e.g. computers, televisions and tyres) that guarantees the goods will be recycled, refurbished or reused.

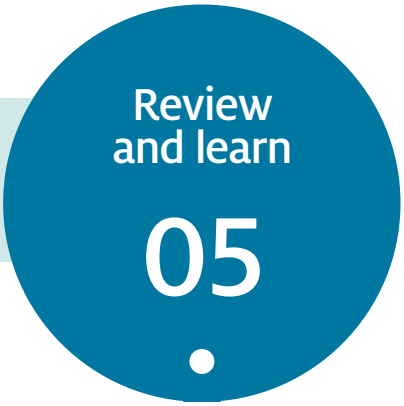
Checklist – Report and manage

Use this checklist for reporting on and managing the contract.

		Done
4.1	Have you followed up on KPIs and reporting requirements during the delivery of the contract to ensure the supplier is compliant?	☐
4.2	Have you followed up to ensure the goods are being disposed of in the most sustainable way?	☐

Step 5: Review and learn

- Identify opportunities to improve
- Monitor and track progress
- Share your experience



This step is based on ISO20400:2017 International Standard Sustainable Procurement Guidance, which recommends making every effort to measure and communicate the benefits of sustainable procurement.

5.1 Look for opportunities to improve

The contract management process may provide opportunities for you to work with the supplier to continue to improve sustainability outcomes within your procurement. It provides a mechanism for you to raise any concerns or suggestions and allows the supplier to share ideas for new innovations, technologies or ways to improve sustainability.

You may want to create a lessons learned register to document learnings within your entity. This will assist any future procurement activities you undertake and other procurements across your entity.

A case study from Department of Defence highlights how they are applying sustainability considerations to the Defence estate.

The **Defence Smart Infrastructure Handbook** aims to continuously improve the efficiency, effectiveness and sustainability of the Defence estate through the application of ecologically sustainable development and whole-of-life principles across the estate life cycle. The handbook defines Defence's requirements and reporting obligations for the planning, design and delivery phases of the estate life cycle. It covers climate adaptation, energy, water, waste minimisation, sustainable procurement and pollution prevention. Two examples of how the handbook has been applied are:

- **Plastiphalt road at Point Cook**—The Department of Defence delivered its first recycled road at RAAF Base Williams, Point Cook in 2020. Communication and collaboration with industry, led to an innovative and sustainable alternative without compromising capability outcomes for the project. As a result the project consumed 80 m^3 (180 tonnes) of Plastiphalt Asphalt, which includes 600 kg of plastics and 90 m^3 (210 tonnes) of concrete waste rubble that has been crushed and reused as subbase material.
- **Recycled plastic in ranges**—The Department of Defence routinely uses products containing recycled plastic, such as lane markers, target supports and ricochet protection, in Defence ranges. These products have the ability to withstand greater volumes of projectile impact than traditional products.

5.2 Monitor and track progress

The Australian Government will be required to report on progress against the *National Waste Policy Action Plan* targets, including the target to significantly increase the use of recycled content by governments and industry. The Department of Agriculture, Water and the Environment is undertaking work to devise specific procurement targets across all Australian Government procurement, with details about how the target will be calculated, achieved and audited.

Entities should take steps to collect information and report on procurement of recycled content. This should include who reports the data, what type of data and when. For example, to measure how much recycled content is being procured, the following types of data could be considered:

- contract values (both dollars and percentage of value) of contracts procuring goods with recycled content
- amount of recycled content procured specified in tonnes and type per contract
- report on goods/services/contracts that have procured recycled content to calculate percentage of goods with recycled content purchased by the organisation
- increased diversion of waste from landfill, specified in percentage terms or in tonnes per annum.

A case study: South Australian Local Government Association participating in a Circular Procurement Pilot Project can be found in Appendix B. The case study demonstrates how participants can use their combined buying power by setting targets and reporting on progress to drive the demand for products and materials with recycled content.

5.3 Knowledge sharing

Knowledge sharing can encourage and incentivise positive behaviour. It empowers others to procure more recycled content or realise sustainable procurement outcomes in general.

The positive successes of a procurement can be shared in a variety of ways, including:

- newsletters
- a sustainable procurement portal
- verbally on the project or at departmental meetings
- a community of practice.

Each entity should identify what channels work best within their own frameworks. Entities are encouraged to report their achievements and share case studies with the Department of Agriculture, Water and the Environment by emailing sustainable.procurement@awe.gov.au.

Checklist – Review and learn

Use this checklist to review the procurement and share lessons learnt.

		Done
5.1	Have you considered improvements for the next procurement?	☐
5.2	Have you reported on the sustainability outcomes? For example, how much recycled content was procured (percentage or tonnes) for this project?	☐
5.3	Have you shared your successes and/or lessons learnt from your recent procurement?	☐

Glossary

Term	Definition
Approach to market documentation (ATM)	As defined in the Commonwealth Procurement Rules (CPRs)
Australian Government terms used in this guide	• Potential supplier (might respond to a tender) • Tenderer (has applied to a tender) • Supplier (has entered into a contract with the Australian Government) • Goods All terms as defined in the Commonwealth Procurement Rules.
Circular procurement	Circular procurement supports a circular economy. Circular economy is the opposite of a linear 'throw away' society model, which depletes the resources of our planet and our economy. In a circular economy, nothing is wasted, rather it gets reused or transformed. At the broadest level, circular economy policies aim to change patterns of natural resource use in the economy (make, use, dispose) in order to achieve sustainable growth by slowing, narrowing and closing material loops (maintaining the value of resources for as long as possible). Taken from WRAP and the circular economy.
Commonwealth Procurement Rules (CPRs)	A legislative instrument issued by the Finance Minister under section 105B of the *Public Governance, Performance and Accountability Act 2013 (*PGPA Act), which establishes the framework under which entities govern and undertake their own procurement. It also includes good practice guidance. All officials performing duties in relation to procurement must act in accordance with the Commonwealth Procurement Rules.
Corporate Commonwealth entities	As defined in Section 8 of the PGPA Act
Ecolabels	Ecolabels provide information on environmental and health standards for specific product categories (see Ecolabs and Environmental Product Declarations). Ecolabels are usually awarded by an impartial third party for specific products or services that have been independently determined to meet transparent criteria based on life cycle considerations, in contrast to other 'green' symbols, or claim statements developed by manufacturers and service providers (see What is ecolabelling).
Environmental management	Environmental management refers to strategic arrangements to reduce the environmental impacts of an organisation's operations. One example of this is an environmental management system, which brings together all the environment-related elements of an entity into an overarching management strategy through planning, implementing and reviewing efforts to reduce environmental impacts.
Greenwash	Greenwash is the practice of making false, misleading and/or deceptive claims about the environmental practices of a company or the environmental attributes or benefits of its products or services. Greenwash is often unintentional and can include claims that are vague, irrelevant or inaccurate or that only tell part of the story about the environmental impacts of a product.
International Organization for Standardization (ISO)	A non-government international organisation comprised of various representatives from national standard organisations. ISO develop and publish international standards. ISO:20400:2017 is the standard for sustainable procurement.
Life Cycle Cost (LCC) model	The LCC methodology is one tool available for practical support in calculating whole-of-life costs. Read more about the LCC model in Appendix A.

Term	Definition
Material Circularity Indicator (MCI)	The MCI is an assessment tool available that helps to identify the circular value of products and materials. It assesses trade-offs between material circularity and the economic, environmental, and societal objectives of procurements. Read more about the MCI tool in Step 3.
Non-corporate Commonwealth entities	As defined in section 8 of the PGPA Act
Official	As defined in section 8 of the PGPA Act
Problematic plastics	Can include plastics that are difficult to collect/recover for reuse or recycling, or include material that hinders, disrupts or obstructs opportunities to recover other materials. There may be problematic plastics specific to different industries.
Procurement	As defined in the Commonwealth Procurement Rules
Recycled content	As defined in AS 14021:2018, recycled content is a proportion by mass, of recycled material in goods or packaging. Recycled content can be either pre-consumer materials, diverted from waste during the manufacturing process, or post-consumer material, generated by households, commercially, or industrial and institutional facilities.
Relevant entity	Non-corporate Commonwealth entities and prescribed corporate Commonwealth entities (listed in section 30 of the PGPA Rule) that must comply with the Commonwealth Procurement Rules when performing duties related to procurement.
Requirements	Requirement is the description of the Goods and Services described in: a. for the purposes of the Commonwealth ATM Terms, the section of the Approach to Market with the heading 'Requirement' b. for the purposes of the Commonwealth Contract Terms, the section of the Statement of Work with the heading 'Requirement' c. for the purposes of the Commonwealth Purchase Order Terms, the document setting out the Goods and/or Services.
Reverse logistics	Reverse logistics is the process of moving goods from their typical final destination for the purpose of capturing value (e.g. re-use, refurbish or recycle) or proper disposal (e.g. landfill).
Specification	The Commonwealth Procurement Rules Glossary defines Specification as 'a description of the features of the goods and services to be procured'.
Supply chain assessment	Some goods or services can have long supply chains. For example, parts of the process of manufacturing IT equipment can be done in developing countries. There may be risks that environmental protection or labour rights are not respected during the manufacturing or subcontracting process. Assessing the environmental and social credentials of a supplier can extend to ensuring that the supply chain also meets the same environmental and social requirements.
Sustainability	Sustainability depends on maintaining or enhancing the wellbeing of society over time, and therefore requires that the total economic, social and natural capital is maintained or improved for future generations.
Sustainable development	Development that meets the needs of the present without compromising the ability of future generations to meet their own needs.
Sustainability impact	The environmental and social impact of the goods or services throughout their lifetime.
Sustainability impact assessment	Assessment of the degree of impact a good or service will have on the environment or society. Used to determine the priority of sustainability considerations in a procurement.

Term	Definition
Sustainable procurement	Sustainable procurement looks beyond the up-front cost to make purchasing decisions based on the entire life cycle of the goods and services, taking into account associated costs, environmental and social risks and benefits, and broader social and environmental implications.
Value for money	Achieving value for money is the core rule of the Commonwealth Procurement Rules. Price is not the sole factor when assessing value for money. This means that all relevant financial and non-financial costs and benefits must be considered over the entire life of the procurement. Relevant financial costs and benefits include environmental sustainability.
Whole of Australian Government Major Office Machines Panel Arrangement	Consists of a panel of suppliers who provide devices, support/maintenance, consumables and additional optional products, at competitive purchase, lease and maintenance pricing.
Whole of Australian Government Stationery and Office Supplier Arrangement	Consists of a panel of suppliers who provide stationery and office supplies to satisfy the business needs of Commonwealth entities.

APPENDIX A
Sustainable procurement and value for money

Achieving value for money is the core rule of the Commonwealth Procurement Rules (CPRs) as it is critical to ensuring that public resources are used in the most efficient, effective, ethical and economic manner. It is important to remember that price is not the only factor when assessing value for money, and officials are required to consider all relevant financial and non-financial costs and benefits associated with procurement. This includes, where relevant, the environmental sustainability of the proposed goods and services (such as energy efficiency, environmental impact and use of recycled products).

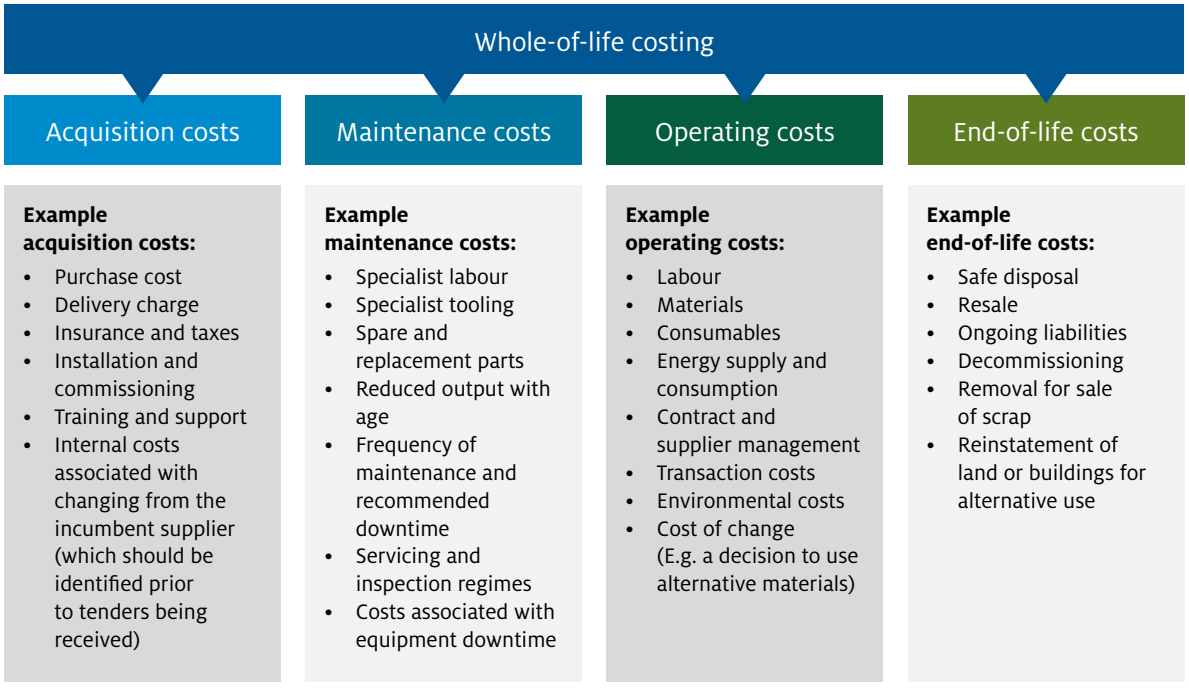
Assessing the whole-of-life cost

Whole-of-life costing, in the context of sustainable procurement, refers to the process of estimating the 'cradle to grave' cost of a good or service. Considering whole-of-life cost can help officials make a holistic assessment of the potential costs during the lifetime of the good or service, and identify any cost saving when comparing different options.

Depending on the nature of the procurement, whole-of-life costs generally include the costs of acquisition, maintenance, operation and end of life (refer to Figure A1).

The option with the lowest up-front (acquisition) cost may not offer the lowest cost option over the life of the good or service. This is typically the case for goods that use power, water, fuel or other consumables or goods where a disposal pathway or market does not exist or is cost prohibitive (e.g. products containing hazardous materials).

Figure A1 Whole-of-life costing considerations



Life Cycle Costing

The International Standard ISO 20400:2017 Sustainable Procurement – Guidance identifies Life Cycle Costing (LCC) as the preferred method for calculating whole-of-life costs in sustainable public procurement. The LCC methodology is one tool available for practical support in calculating whole-of-life costs.

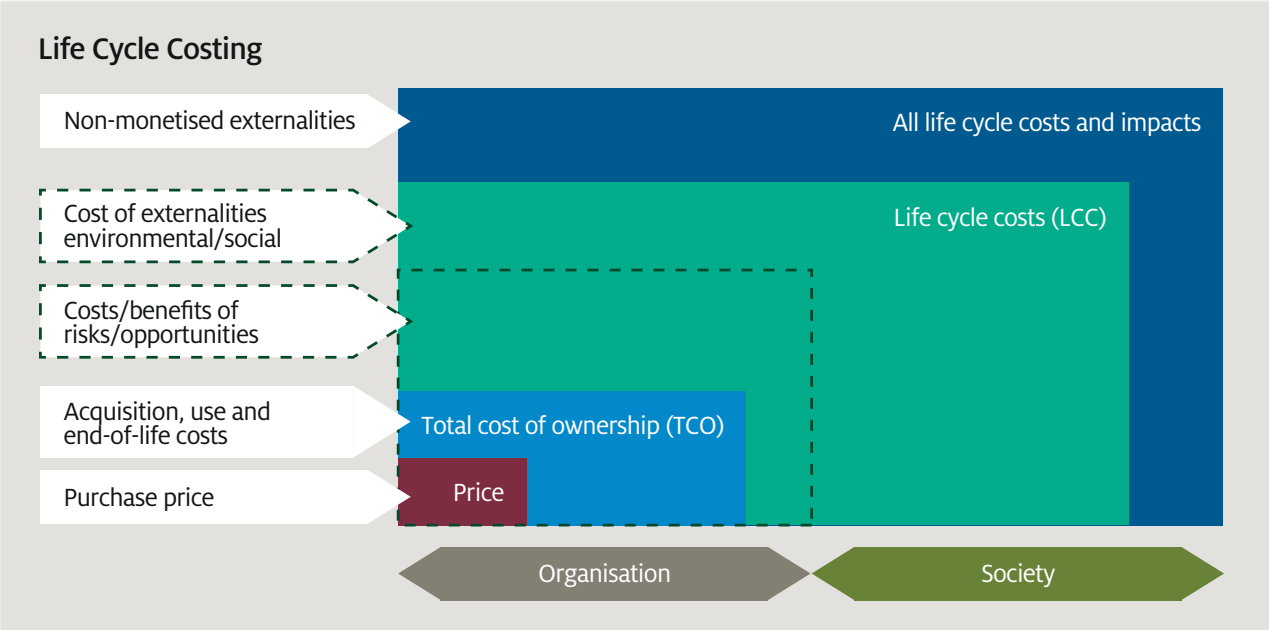
LCC calculations are usually used during the planning stage to evaluate alternative options for a tender or during the tender evaluation stage to compare different bids. However, the use of LCC will be guided by the individual characteristics of the procurement and is best suited to procurements where a sustainability assessment has identified significant risks or opportunities.

The LCC method considers the following direct and indirect costs.

- cost relating to acquisition, installation and commissioning
- cost of use, including operating costs for the ongoing use of the goods, such as energy and consumable components
- maintenance and repair costs
- disposal at the end of life, including collection, recycling costs, landfill fees and treatment of any hazardous components
- costs imputed to environmental externalities linked to the goods or services during its life cycle if their monetary value can be determined and verified (e.g. costs associated with carbon emissions).

The external costs and those associated with realised or unrealised risks and opportunities are often more significant than the original purchase cost, as shown in Figure A2.

Figure A2 Life Cycle Costing (ISO 20400:2017)



Typically, there are three ways to calculate costs in the tender process:

Method 1 Price—Focuses on the lowest costs (price) and is the easiest and most commonly used method, but is not always the most cost effective.

Method 2 Total cost of ownership/Direct costs—this method only calculates the costs borne directly by the contracting authority over the period of ownership.

Method 3 Life Cycle Costs (LCC)—LCC including externalities, including the costs listed in Figure 4. This requires allocating a monetary value to environmental externalities such as carbon emissions, resource use or local air pollutants.

The European Commission's website for Green Public Procurement provides several different LCC models for a variety of different products following Method 3.

The CPRs require that '*when conducting a procurement, an official must consider the relevant financial and non-financial costs and benefits of each submission*'. In many government procurements this would refer to Method 2 or Method 3 outlined above. Method 3 should be used for procurements with significant opportunity to procure recycled content or achieve environmental sustainability outcomes.

A case study: **renovating the façade of an unused warehouse to create a sustainable youth centre** in Spain can be found in Appendix B. It highlights how the LCC analysis can be applied during the procurement process to save money and improve energy efficiency.

APPENDIX B
Case studies on recycled content

Introduction

This appendix provides case studies on the procurement of goods and services containing recycled content and example approaches for incorporating recycled content into tenders. The case studies focus on three areas: infrastructure and buildings; packaging; services and contain general approaches that can be adopted across different contract categories. Many case studies have been sourced from jurisdictions (i.e. states, territories and other countries) which are not covered by the Commonwealth Procurement Rules (CPRs). They are intended to illustrate sustainable procurement in action.

It is important to note that technical specifications, tender evaluation and selection will depend on the priority areas, targets and internal policies of the relevant entity.

National Waste Policy Action Plan target and actions

Target 4: Significantly increase the use of recycled content by governments and industry

Actions linked to recycled content

1.3 Develop new markets for **recycled products** and materials

1.5 Use the Australian Recycling Investment Fund through the Clean Energy Finance Corporation to support manufacturing of **recycled content** products

1.7 Adopt sustainable procurement policies, targets and guidance for the use of **recycled content** and support government agencies to improve their **recycled content** procurement practices

3.6 Prioritise the development of national standards and specifications, or adopt appropriate international standards and specifications, for the use of **recycled content** in a broad range of capital works projects, prioritising road and rail

4.1 Determine the use of **recycled content** in road construction to establish a baseline and allow reporting on actions to significantly increase **recycled content** use.

4.2 Partner with Infrastructure Australia, the Green Building Council of Australia and the Australian Institute of Quantity Surveyors to improve **demand for recycled materials.**

4.4 Devise specific procurement targets across all government procurement, with details about how the target will be calculated, achieved and audited.

4.5 Report on government procurement activities that have significantly increased the use of recycled material in infrastructure projects, including where possible the percentage of capital works projects that include recycled content.

4.6 Report on progress in achieving procurement targets

4.9 Encourage Australian businesses to adopt and publish sustainable procurement policies, including use of recycled content

Recycled content is defined in *AS 14021:2018 Environmental labels and declarations – Self declared environmental claims (Type II environmental labelling).* Recycled content is defined as a proportion by mass, of recycled material in goods or packaging. Recycled content can be either pre-consumer materials, diverted from waste during the manufacturing process, or post-consumer material, generated by households, commercially, or industrial and institutional facilities. Where a good claims to include recycled content, the percentage of recycled material based on the mass of the goods is to be stated; the percentage of recycled content in goods and their packaging are to be separately stated, not aggregated. The use of the recycled content symbol is optional and may be accompanied by a percentage value. Possible recycled content labels are detailed in Figure B1.

Figure B1 Example recycled content labels

Apart from assisting to develop a national market for recycled material, there are many positive environmental impacts from choosing recycled content as an alternative to virgin material. Table B1 outlines greenhouse gas emissions that can be saved per tonne of recycled content (relative to using virgin material for producing new goods).

It should be noted that the values included in this table should only be taken as indicative and specific energy and costs savings should be calculated and evaluated on a case-by-case basis.

Table B1 Examples of the environmental and monetary value from using recycled content

Material	Energy savings in process energy per tonne of recycled material[4]	Converted to monetary value based on average electricity rates (c/kWh)[5]	Approximate greenhouse gas savings per tonne of recycled materials[6]	Converted to monetary value[7]
Recycled glass	701 kWh	$191	0.81 tCO_2e	$9.09
Plastics (HDPE)	5944 kWh	$1626	1007 tCO_2e	$77.04
Mixed paper	3683 kWh	$30	100 tCO_2e	$47.73
Composted garden organics[8]	N/A	N/A	0.5 tCO_2e	$8

4 US EPA 2019, Documentation for Greenhouse Gas Emission and Energy Factors Used in the Waste Reduction Model.
5 Based on 2020 Queensland electricity prices available from Canstar Blue. **6** Based on emissions factors for consumption of purchased electricity in Queensland, New South Wales and the Australian Capital Territory, available from the National Greenhouse Accounts Factors. **7** Based on current market value in July 2020 for one tonne of carbon in Australia. http://www.cleanenergyregulator.gov.au/Infohub/Markets/buying-accus/australian-carbon-credit-unit-market-updates
8 The Economic Contribution of the Australian Organics Recycling, AORA, March 2020

Case studies: Procurement of recycled content

The case studies represent common government contract categories where a significant amount of recycled content could be procured in the following categories:

- infrastructure and building
- packaging
- services (including for example information technology, telecommunications, cleaning, advisory, catering, construction services).

Table B2 Case studies by category

Category	Case study	Recycled content
Infrastructure and building	Recycled glass sand, Metro Trains Melbourne (Australia)	Glass sand
	Crumbed rubber in roads, City of Mitcham (Australia)	Crumbed rubber
	Local Government Buying Back Recyclables, South Australia (Australia)	Rubber, paper, glass, furniture, compost
	Renovating the façade of an unused warehouse to create a sustainable youth centre (Spain)	Sustainable materials
	Recycled roads, Sutherland Shire Council (Australia)	Glass, plastic RAP, waste printer toner
	London 2012 Olympic and Paralympic Games, sustainable concrete (England)	Recycled content in construction
Packaging	Circular healthcare plastics, Aarhus University Hospital (Denmark)	Plastics
	Dell sustainable packaging	Paper, plastics
	Cradle to Cradle principles, City of Ludwigsburg (Germany)	Paper, plastics
	Reduction of single use plastics, 2018 Commonwealth Games (Australia)	Plastics
Services	Whole of Government Property Services Arrangements, Sustainable procurement initiatives (Australia)	Property services, organics, construction, paper
	Green cleaning services, Government of Catalonia (Spain)	Plastics, paper
	Sustainable procurement of desktop and portable computers, Stockholm (Sweden)	Paper
	Organic waste services, Department of Finance (Australia)	Food waste
	Sustainable procurement of food and catering services, Germans Trias I Pujol University Hospital (Spain)	Plastics, paper, organics

Infrastructure and building

Worldwide, building materials account for approximately half of all materials used and approximately half of all solid waste generated. In Australia, the construction and demolition sector and commercial and industrial sector were each responsible for an estimated 20.4 mega tonnes of waste generated in 2016–17 and of this only 43 per cent and 37 per cent was recycled. The materials used in construction and building have potential to impact the environment during a number of stages in their life cycle including extraction of raw materials, processing, transportation and disposal. The reuse and recycling of construction and building materials can reduce waste disposed to landfill, reduce demand for raw materials and reduce negative environmental impacts associated with processing and manufacturing.

Considerations and criteria for procurement of recycled content

Example criteria for the procurement of recycled content for infrastructure and building goods and services are provided in Table B3. It is important to note that the following is not an exhaustive list and it is ultimately up to the relevant entities to ensure the requirements introduced into the contract meet value for money and fit for purpose requirements.

Table B3 Example recycled content considerations for infrastructure

Procurement stage	Examples of recycled content criteria and considerations
Plan the procurement	Identify relevant existing specifications around the use of recycled content in building or construction materials Identify potential areas for innovation Communicate with suppliers to understand goods availability
Approach the market	Use fit for purpose materials from one or more of the following categories: • reused salvaged materials • materials which have recycled content Specify the percentage of material or goods to be made from recycled content Ask the supplier to provide a methodology that outlines how their project, goods or building is intended to be aligned with a third party certification (for example EnviroDevelopment, Green Star, GECA). This methodology may include the supplier's strategy to target key relevant credits and their approach to collecting and documenting evidence for submission, and reporting on the progress of the certification process Ask the supplier for information on how they will help to achieve specific targets from the *National Waste Policy Action Plan* Review performance requirements to allow for innovation
Evaluate and engage	Use tools such as the Material Circularity Index to evaluate goods options Calculate Life Cycle Cost for the project Attainment of a third party sustainability certification
Report and manage	Fulfilment of all sustainability commitments as per tender requirements Conforming with the use of recycled content as per goods specification Require proof of certification Verify disposal of materials, request waste disposal documentation

Case studies: Infrastructure and building

Metro Trains Melbourne, Recycled glass sand (Australia)

Recycled glass sand, manufactured from inert recycled glass during the glass recycling process, was used as bedding fill for combined service routes and backfill for drainage piping in the Koroit Creek Road Level Crossing Removal Project. The project used 904 tonnes of recycled glass sand, reducing the amount of waste send to landfill as well as preserving existing sand deposits.

Metro Trains Melbourne have since altered their specifications allowing glass sand to be used anywhere in the rail network. More information on this project can be found on the Level Crossing Removal Project's website.

Crumbed rubber in roads, City of Mitcham (Australia)

The City of Mitcham, with support from Tyre Stewardship Australia, laid a 335 metre stretch of road with an innovative asphalt mixture containing crumbed rubber from end-of-life tyres. The project used approximately 850 waste tyres. More information on this trial can be found on the Tyre Stewardship Australia website.

The City of Mitcham also used a paving material made from 50 per cent used tyres in a nearby carpark as part of a trial in sustainable urban drainage design. The permeable paving used four tonnes of tyre-derived aggregate. More information on this trial can be found on the Mitcham Council's website.

Local government buying back recyclables, South Australia (Australia)

Through the South Australian Local Government Association, councils are participating in a Circular Procurement Pilot Project, aiming to use their combined buying power to drive demand for products and materials with recycled content. The councils have established systems to:

- prioritise recycled content through the procurement process
- track the recycled content purchased by weight
- publicly report on the tonnage of recycled-content products and materials purchased.

Recycled products regularly purchased by local government bodies, that participating councils might consider procuring as part of the pilot project, include:

- office stationery/paper
- fixtures (e.g. street furniture, drinking fountains, bollards, fencing, decking, garden edging, planter boxes, fitness equipment, wheel stops, speed humps, bins, pipes, signage)
- construction materials (recycled content includes recycled asphalt, glass fines, plastic, rubber, toner)
- compost.

Most councils have adopted targets for the materials processed however if the initial set up of the program is successful, all participating councils will adopt rolling targets. The goal is to buy-back recycled material equivalent to 50 per cent of the weight of that recycled in their area. Details can be found here.

Highton Child and Family Centre (Australia)

For the City of Greater Geelong, the use of recycled materials was a priority in the design and construction of Highton Child and Family Centre which achieved a 5 star rating (Australian Excellence) under the Green Star - Design & As Built rating tool. Construction waste was recycled where possible, while concrete slabs were created using reclaimed water and recycled aggregates. Other construction materials were derived from sustainable sources, including carpet tiles made from reclaimed fishing nets, a wood-like product made from pine-dust and recycled plastic milk bottles, as well as linoleum made from linseed oil. Sustainability was worked into every stage of the building process from ensuring steel was responsibly sourced for the building's frame, to designing for future climate shifts. Minimising the use of externally supplied energy and water was another priority of the project leading to the use of solar panels, stormwater re-use in the garden and toilets and highly water-efficient fittings.

Renovating the façade of an unused warehouse to create a sustainable youth centre (Spain)

As part of the development of a youth centre in the Valencian region of Spain, the consortium of local governments delivering the project organised a market consultation day to facilitate an open dialogue with potential suppliers. The development centred on revitalisation of a disused warehouse, with the aim of achieving a near zero energy building. Environmental criteria were considered from the outset together with an emphasis on innovation. Examples included:

- suppliers were to prove their recent experience in energy rehabilitation of buildings, professional competency, full civil liability insurance coverage and solvency.
- suppliers were to demonstrate the improved energy performance of their proposed method over a common baseline through LCC analysis that included:
  - cost of material supply, installation and maintenance
  - cost of related energy consumption during use
  - cost of end-of-life (sorting and recycling) of materials.

The contract was awarded to the bidder that scored highest in both qualitative and quantitative criteria. Examples of these criteria were:

- qualitative criteria—reducing the need for artificial lightning by maximising the use of natural lighting, sustainable materials with ecolabel certification, materials from renewable resources, minimal waste removal and future material recyclability
- quantitative criteria—reducing the need for heating and cooling , LCC tool calculation.

The market consultation was an essential part of the procurement and the consortium was kept informed of available innovations. This resulted in increased collaboration with technical experts. The solution demonstrated a 15 per cent reduction in energy demand for heating and a 19 per cent reduction in cooling and associated reduction in utilities costs.

Further information and access to tender documentation can be found in a newsletter on the European Union's Green Public Procurement (GPP) website.

Recycled plastic noisewalls, Jalco/Viscount (Australia)

An Australian manufacturing company that was moving to 24/7 operations needed a noise abatement solution to reduce plant generated noise and improve the quality of life for surrounding residents.

They selected Viscount's innovative Rotationally Moulded Plastic (RMP) noise abatement panels. Made from 30% post-consumer recycled milk bottles (rHDPE), the unique design of the panels features a different façade on each side to ensure optimised aesthetic appeal for both the residents and the factory.

The patented RMP technology was originally developed for freeway noisewalls and Skyrail cladding. The use of this to reduce noise travelling from a factory to local residents demonstrates how it can be adapted to suit different applications.

Further information is available on the Infrastructure Sustainability Council of Australia website.

Recycled roads, Sutherland Shire Council (Australia)

In partnership with Downer and Close the Loop, Sutherland Shire Council constructed a road in Engadine, using soft plastics, glass, waste printer toner and reclaimed asphalt. Each tonne of the asphalt contains more than 35 per cent total recycled material content, made up of:

- 800 plastic bag and packaging equivalents
- 252 glass bottle equivalents
- toner from 18 used printer cartridges
- 300kg of reclaimed asphalt pavement (RAP).

The soft plastics, glass and toner included in the road would likely have ended up in landfill, stockpiled or as rubbish in the natural environment. The modified asphalt goods have shown a 60 per cent improvement in fatigue, for longer life pavements and superior deformation resistance for withstanding heavy vehicle traffic, compared to standard Roads and Maritime Services specified asphalt. More information on this case study can be found here.

London 2012 Olympic and Paralympic Games, sustainable concrete (England)

Initially it was estimated that 500,000 m3 of ready mixed concrete was required for the Olympic Park. For the procurement of the concrete The Olympic Delivery Authority used a balance scorecard approach to evaluate tenders with sustainable development requirements weighted as 20 per cent of the technical assessment. Tenderers were required to meet or exceed the following targets:

- ensure as a minimum, construction materials (by value) comprise at least 20 per cent recycled content
- ensure that 25 per cent of aggregate used will be recycled
- transport 50 per cent (by weight) of materials to site by sustainable means
- use energy efficiency low emissions vehicles on site.

Overall, almost 22 per cent of the concrete used was recycled and secondary aggregate resulting in a savings of approximately 24 per cent of embodied carbon. More details on how the London 2012 Olympic and Paralympic games used sustainable procurement in construction projects can be found in the London 2012 Legacy report.

Sustainable building and construction certifications

Using sustainability certifications for building and construction is a way of encouraging the procurement of recycled content for new developments, buildings and housing. Examples of buildings and projects that have achieved these accreditations are:

The Games Village, City of Gold Coast, was built to a 6 leaf EnviroDevelopment standard for the Commonwealth Games. More information available in the online summary on the City of Gold Coast's website.

National Disability Insurance Agency (NDIA) National Office in Geelong is a six-level NDIA national office in Geelong, which received a 5 star NABERS (National Australian Built Environmental Rating System) rating. More information can be found on NDIA's website.

Port Adelaide Government Office Development is a 6 level building located in the commercial and civic centre of the Port Adelaide waterfront precinct. The project exceed its contractual obligations to achieve a 6 star Green Star Design and As Built rating. More information can be found on Hansen Yuncken's website.

The Wollongong City Council Administration Building achieved a 6 star Green Star rating and is used as a best practice case study by Local Government Procurement in their ISO 20400 training package. More information is available on Green Star's website.

West Village in Brisbane is a sustainable community working towards achieving a 6 star Green Star rating for, amongst other things, their on-site renewable solar energy program and a zero waste to landfill approach with inclusion of organic waste recycling. The Green Star website has more information.

Please refer to Appendix C for further information on these certifications.

Packaging

It was estimated in 2018 that only 56 per cent of packaging waste in Australia was recovered or recycled and only 33 per cent is used locally in secondary materials. The inclusion of recycled content in packaging can help drive sustainable markets for recovered and recycled packaging. The procurement of packaging with recycled content can reduce the impact on the environment and help to meet Australia's four 2025 National Packaging Targets, which are:

- 100 per cent reusable, recyclable or compostable packaging
- 70 per cent of plastic packaging being recycled or composted
- 50 per cent of average recycled content included in packaging
- the phase out of problematic and unnecessary single-use plastics packaging.

Considerations and criteria for procurement of recycled content

Example criteria for the procurement of packaging with recycled content are provided in Table B4.
It is important to note this is not an exhaustive list. It is ultimately up to relevant entities to ensure the requirements introduced into the contract meet value for money and fit for purpose requirements.

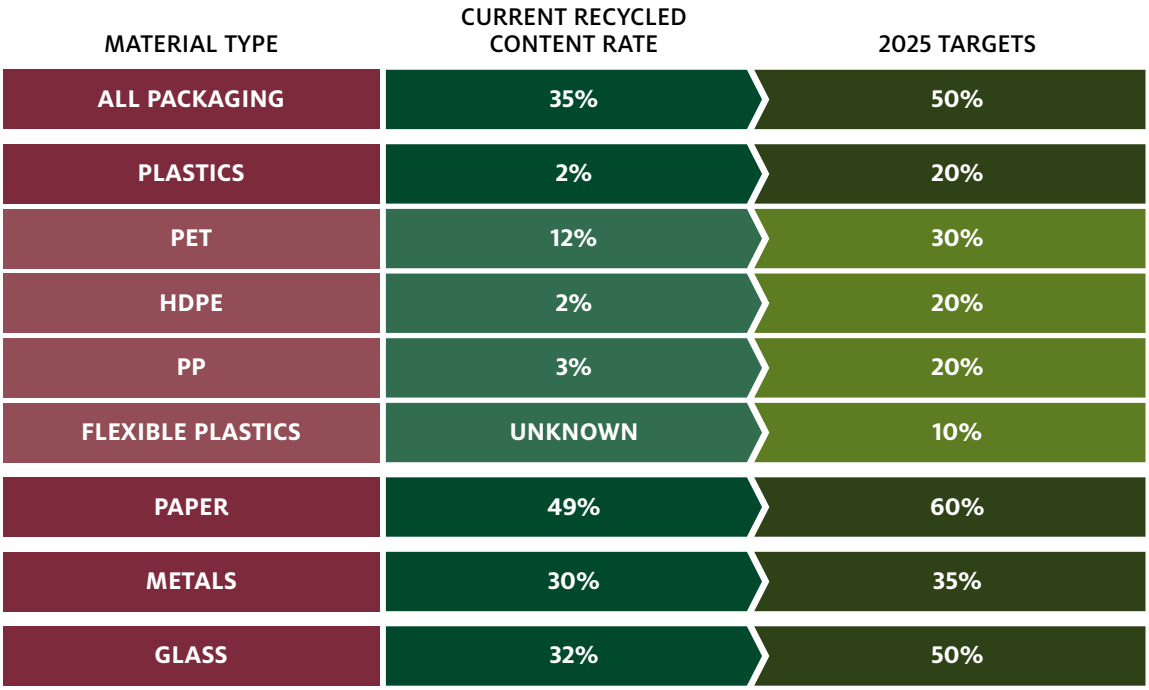
Table B4 Example recycled content considerations for packaging

Procurement stage	Example recycled content criteria and considerations
Plan the procurement	Consider how much recycled content is currently in the packaging used
	Consider if packaging is needed
	Assess whether higher recycled content could have an impact on functionality, goods protection and other requirements
	Seek information on new packaging innovation that incorporates the use of recycled content
Approach the market	The tenderer should indicate the percentage by weight of recycled content in packaging materials (plastic and cardboard)
	Packaging shall be recyclable with appropriate recycling labels on packaging or goods
	Require a minimum Australian Packaging Covenant Organisation Annual Report rating (which assesses the organisation's performance against the APCO Packaging Sustainability Framework)
	Include sustainability objectives by way of a wish list in the scope of work/specifications. Suppliers can add ideas to the wish list and individually price each item. Upon award, this list can be reviewed by the contract manager to pick out which sustainability wish-list items can and will be implemented and then added to the scope and costs of the contract
	Include appropriate requests for information to calculate MCI/LCC
Evaluate and engage	Use a scoring system or provide points (e.g. 100 points) for how well the supplier is achieving sustainability criteria, reduced packaging, using recycled content, circular economy approach and so on
	Create a weighting system based on whole-of-life cost award or a split of cost versus sustainability 70/30 or 20/80
	Calculate MCI/LCC for project
	Attainment of a third party sustainability certification
Report and manage	Request suppliers provide a list of the packaging materials, their weight and a declaration by the packaging producer(s) stating the percentage recycled content in their packaging material

Australian Packaging Covenant Organisation

Following the establishment of the 2025 National Packaging Targets, the Australian Packaging Covenant Organisation (APCO) developed additional targets specifically for packaging materials which are contained in their Sustainable Packaging Guidelines and outlined in Figure B2. The Sustainable Packaging Guidelines play an important role in assisting the design and manufacture of packaging that meets the demands of the market, consumer protection and the environment.

Figure B2 Australian Packaging Covenant Organisation Packaging Targets



The guidelines recognise how sustainable packaging principles can be achieved through four overarching design and procurement goals: buy from responsible suppliers, choose more sustainable materials, design more sustainable packaging formats and provide consumer information. One of the obligations of APCO members is to implement these goals. Under the design related criteria, members are required to measure and monitor recycled and renewable materials by recording how many of their goods have recycled or renewable materials.

The APCO Packaging Sustainability Framework aims to provide a consistent and transparent framework for assessing and tracking packaging sustainability across organisations. The framework consists of 13 independent criteria across three categories: leadership, packaging outcomes, and operations. APCO members are assessed and given a performance score each year. These scores can be used to set minimum requirements for a procurement. An example annual report is provided here.

Case studies: Packaging

Circular healthcare plastics, Aarhus University Hospital (Denmark)

In an attempt to address the large volumes of plastic packaging waste produced in hospitals, the Aarhus University Hospital decided to collaborate with suppliers to address concerns around healthcare plastic recycling. The objective of the project was to both increase recycling rates and create more circular solutions with medical plastic packaging waste. The following generic criteria are being tested in tenders to drive an increased recyclability:

- reduced packaging
- include recycled material in secondary and tertiary packaging
- develop take-back systems wherever relevant/possible
- create goods with monopolymer packaging made of either PP (polypropylene), PE (polyethylene) or PET (polyethylene terephthalate) so they can be recycled
- mark goods for recycling.

The materials and characteristics that are less preferred are PVC, laminates, combinations of paper and plastics.

The hospital sought to involve a range of stakeholders (manufacturers, procurement, other hospitals and waste haulers and compounders) to develop and test a value chain model for hospital plastic packaging waste.

Preliminary results have indicated that the introduction of the recyclability criteria in tenders does not result in higher prices, with Central Denmark Region achieving a 24 per cent cost saving compared to previous offers of the same goods.

More information on this project can be found in this document on strategic procurement in European Healthcare.

Dell sustainable packaging

As part of the advancing sustainability goals in 2019, Dell set a goal to make 100 per cent of their packaging from recycled or renewable materials.

In 2019 Dell's packaging already contained approximately 85 per cent recycled or renewable content. In early 2020, Dell introduced two new laptops with packaging that includes a moulded tray made from 25 per cent ocean bound plastics and recycled plastics, no foam or single use plastic bags and the shipping box made from 100 per cent recyclable cardboard. More information on Dell's sustainable goals can be found on their website.

Cradle to Cradle principles, City of Ludwigsburg (Germany)

The City of Ludwigsburg instructed all procurement departments to use 'Cradle to Cradle' principles. These principles outlined a number of requirements for manufacturers, including the requirement to declare all substances used during production and in the final product, as well as their potential environmental impacts, design for easy reuse and recycling and the use of renewable energy.
Using the Cradle to Cradle principles, the City awarded a two-year framework agreement for office stationery (copying paper, pens, folders, desk equipment).

Product specifications

Specifications used in the contract included, for example:

- the requirement to minimise packaging and, where possible, be made of recyclable or other sustainable material
- paper-based products must fulfil the criteria of the German ecolabel 'Blauer Engel' or equivalent
- products containing plastic must contain a minimum of recycled material or be made of biodegradable material (e.g. calculators need to contain 70 per cent recycled material in the plastic component).

Assessment

Assessment was based 80 per cent on price and 20 per cent on sustainability criteria. The sustainability criteria were assessed using a point based system with 200 points available, 100 of which could be achieved by filling in product specific Cradle to Cradle based criteria declarations.

Cradle to Cradle points were awarded based on raw materials for products (30 points) and circularity (35 points). The other 100 points could be achieved by complying with sustainability criteria around packaging and delivery of product (50 points), delivery transport (30 points), recycling services (10 points) and social responsibility (10 points).

Performance measures

Performance clauses written into the contract required the supplier to provide statistical data to support climate protection and the other deliverables.

Outcomes and lessons learned

The City of Ludwigsburg observed that the market was made more aware of concepts such as Cradle to Cradle principles. The project gave bidders a clear understanding of the sustainability direction that the City of Ludwigsburg wants to move in.

The key lessons learned from the project include:

- the additional work invested in the research and application of the sustainability criteria paid off and did not result in higher costs.
- using green criteria had an impact on the market. As result of this tender, several bidders have increased their share of green products in their range.

Further information on the City of Ludwigsburg's case study is available on the Europa website.

Reduction of single use plastics, 2018 Commonwealth Games (Australia)

A sustainable procurement guide for the 2018 Commonwealth Games provided specific focus for procurement officers in engaging with suppliers and resulted in a number of positive sustainable achievements. For example, the reduction of single use plastics was achieved by several actions:

- the event encouraged the use of reusable plastic water bottles, including distribution of 6,600 water bottles to athletes and officials and a 'Choose Tap' campaign
- introduction of 14 permanent and six temporary hydration stations in the Village area
- elimination of plastic straws (paper straws used where necessary)
- elimination of balloons
- no lightweight plastic bags in the venues
- provision of 18,000 reusable coffee cups.

All the above initiatives resulted in an overall reduction in single use plastics and a saving of 623,109,215 litres of water and 1,780,497 of 600 ml single use plastic bottles. More information can be found in the sustainability report (Post Games).

Services

Incorporating sustainability into the procurement of services can present challenges that are different to procuring goods. There is value in pre-screening a service contract to understand if there is potential to include recycled content requirements. Consideration should be given to implementing requirements for a one-off project or integrating them into the operations of the business delivering the service. Although it is not always straight forward, the use of recycled content can be integrated into the procurement of services. Service contracts can cover a large range of sectors including cleaning, catering, construction, facilities management and consultancy services.

Considerations and criteria for sustainable procurement

Example contract specifications for incorporating the use of recycled material in the procurement of services are provided in Table B5. It is important to note that the following is not an exhaustive list and it is ultimately up to the relevant entity to ensure the requirements introduced into the contract meet value for money and fit for purpose requirements.

Table B5 Example recycled content considerations for services

Procurement stage	Example recycled content criteria and considerations
Plan the procurement	• Identify any sustainability-related legislation that may impact the service • Identify specific services currently delivered that have potential to incorporate recycled content • Consider the operations of the supplier organisation and the impact of recycled content requirements • Consider if the service provider has knowledge of the sustainability targets and objectives of the project • Assess service provider and sub-contractors' accreditations in relevant environmental management systems, ecolabelling, standards or certifications

Table B5 Example recycled content considerations for services

Procurement stage	Example recycled content criteria and considerations
Approach the market	• Identify initiatives to introduce recycled content in the service • Service providers to provide details of actions or a strategy to manage the waste associated with the delivery of the service, in line with the waste hierarchy (avoid waste, reduce, reuse, recycle, recover, dispose of waste) prioritising waste minimisation, reuse and recycling • Service providers to have a documented waste minimisation and management strategy or program inclusive of waste reduction targets • Suppliers to provide reusable or biodegradable options (for example for plates, cutlery and straws in catering contracts) • Recycled content requirements in packaging of goods used during services (for example cleaning goods packaging, food and catering packaging) • Suppliers to progressively increase recycled content in packaging of goods used in service
Evaluate and engage	• Consider whether suppliers have a waste strategy in place that aligns with the *National Waste Policy Action Plan* targets • Consider whether the waste management practices of the service will help to meet targets • Verification of environmental credentials
Report and manage	• Supplier to report at agreed frequency (e.g. quarterly or annually) on initiatives to reduce waste generation • Supplier to report at agreed frequency on initiatives to improve resource recovery • Supplier to provide bi-annual or annual reports on waste management including waste generation, fate of waste and amount of recycled content procured • Request documentation confirming compliance with requirements of the contracting authority. (Number of energy stars or supplier assurance that clearly indicates that the suppliers have measured and declared the goods according to certification and/or other criteria)

Case studies: Services

Green cleaning services including goods, Government of Catalonia (Spain)

A framework for cleaning services was established to carry out environmentally friendly cleaning services in government buildings, premises and facilities. The tenderers were required to meet a number of technical specifications and to provide documentation proving compliance. The technical specifications included:

- toilet paper and other paper goods consisting of 100 per cent recycled fibre are preferred
- a minimum of 80 per cent of all plastic used in garbage bags must be sourced from post-consumer recycled plastics and meet resistance requirements.

The tendering companies provided verification documents including declarations from manufacturers, safety data sheets, ecolabels and goods cards.

Following the establishment of the framework, the government undertook an audit of the environmental claims made by the companies awarded the services contracts. More information on the procurement of the cleaning services can be found in the case study report.

Whole of Government Property Services Arrangements, sustainable procurement initiatives (Australia)

Jones Lang LaSalle (JLL)

Jones Lang LaSalle are currently working on a global sustainable procurement strategy. As part of this they are investigating ways to further improve sustainable procurement and waste minimisation via their Whole of Australian Government contracts.

Jones Lang LaSalle's consumables contract currently requires contractors to purchase products with sustainability accreditation and/or recycled content. Data provided by contractors for the April to June 2020 quarter indicates nearly 80 per cent of the spend was for products covered by a product certification or with recycled content.

Broadspectrum

Broadspectrum, a supplier under the Whole of Australian Government Property Services Arrangement, has set up two new specialised teams to support the achievement of client's sustainability objectives. The specialised teams are comprised of two complementary and interrelated service lines: Analytics and Strategic Advisory teams. These two service lines working together enable Broadspectrum to provide an end-to-end sustainability delivery framework to clients.

Sustainable procurement of food and catering services, Germans Trias i Pujol University Hospital (Spain)

This Spanish hospital's kitchen is managed by contract and serves over 650,000 meals annually.

The hospital uses sustainability criteria for purchasing food goods and vending machine services as well as a 3R strategy (reduce, reuse, recycle). Under these strategic objectives the hospital has implemented initiatives such as reusable water bottles in the canteen to reduce disposable plastic water bottles, as well as providing recycling areas with different containers to promote recycling by staff and visitors. The hospital aims to replace all single-use containers with reusable materials in catering, and reduce all single use containers in dining rooms and vending machines with biodegradable materials. The food strategy is regularly monitored using performance indicators such as total food waste from patient meals, reduction of total food waste and efficiency in reducing environmental impact of packaging in coffee shops. More information on this project can be found in the report on strategic procurement in European healthcare.

Organic waste services, Department of Finance (Australia)

Department of Finance engaged Globalworming in 2016 to collect organic waste such as vegetarian food scraps, coffee grinds, tea bags, bread and paper towels from their Canberra buildings. In the first two years, Globalworming collected almost 10.3 tonnes of organic waste, which is fed to worms and recycled into an organic fertiliser—a process called vermicomposting. Diverting organic waste from landfill helps reduce carbon emissions and produces a valuable by-product.

Sustainable procurement of desktop and portable computers (Sweden)

Region Stockholm is responsible for healthcare, public transport, regional planning and culture across 25 municipalities in the capital city region (2.3 million people). They have applied environmental requirements into information and communications technology (ICT) contracts since 2010. ICT has been identified as a high sustainability risk contract due to energy and carbon emission as well as social aspects for human and labour rights.

ICT procurement should provide innovation, have a low environmental impact from the life cycle perspective, and stimulate sustainable goods development. Some of the technical specifications in their procurement of stationery and portable computers were:

- desktops should meet the latest version of Energy Start Program Requirements for Computers
- all computers should be halogen-free (applies to all plastic parts > 25 grams with concentrations according to IEC61249-2 21 standard)
- laptops must be mercury free (less than 0.1 per cent by weight by light source)
- all plastic packaging required should not consist of PVC
- all paper/cardboard (cellulose) packaging must be of recycled pulp, unbleached pulp or pulp bleached without chlorine gas.

Requirement to offer computers where the climate impact in a life cycle cost perspective has been analysed and documented in accordance with ISO 14040, 14067 or 14025.

The bids were evaluated using a 70 per cent price and 30 per cent quality weighting. A key learning is to begin procurement process early with a supplier dialogue and to use an award criterion (30/70) where sustainability is significant enough to make it worthwhile.

More details are available in a newsletter on European Union's GPP portal.

APPENDIX C
Ecolabels, certifications, standards and product stewardship schemes

This appendix provides information about a number of ecolabels, standards and certifications used in Australia can be found below. For more information on how to integrate these as sustainability requirements in the procurement specifications see Step 2 of this guide. To check their independence, make sure they are certified by a third party and have a transparent verification system. For example, relevant considerations for selecting a rating and certification scheme for a building project may involve asking:

- Does the scope of the scheme address the goals, targets and objectives of the National Waste Policy Action Plan?
- Does the scheme align with accepted holistic best practice sustainability outcomes in Australia for products, or the built environment that is informed by global best practice frameworks or international targets?
- Does the scheme have performance targets that align with internationally accepted standards?
- Does the scheme include independent third party verification?
- Does the scheme have a robust set of industry-accepted governance processes and procedures, ensuring high levels of probity are maintained through independent third party processes?
- Does the scheme provide multiple rounds of feedback by a third party verifier to the user throughout the project's development?
- Has the certification process been formally assured by internationally recognised quality standards such as ISO 9001?
- Does the evidence required to support a claim for certification allow for adequate third party technical assessment to validate performance outcomes, and ensure claims made are followed through at an as-built stage, or does it require performance verification?

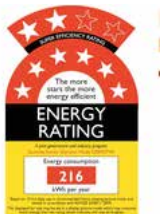
Ecolabels

The Australasian Recycling Label (ARL)

The ARL is an evidence-based system underpinned by the Packaging Recyclability Evaluation Portal design tool to provide a nationally consistent approach to packaging transparency. It has easy-to-understand instructions about how to correctly dispose of every part of a product's packaging. The ARL was developed by the Australian Packaging Covenant Organisation and Planet Ark. Further information on the ARL is available on the Recycling Near You website.

Compostable

The Australian Standard 4736-2006 for compostable and biodegradable plastics. It indicates that the product is suitable for composting and other microbial treatment. It is known as the seedling logo and is a certification system throughout Australia and New Zealand.



Energy Rating Label

The Energy Rating Label describes the energy efficiency of an appliance by awarding it a number of stars and displaying the annual energy consumption of the appliance. An appliance can receive a rating of up to six stars based on its efficiency compared to similar models of similar capacity or size. The more energy efficient the appliance, relative to similar models, the more stars on the Energy Rating Label.

EPEAT

EPEAT is a global ecolabel in the IT sector managed by the Green Electronic Council, which provides an independent verification on manufacturer's claims around sustainability. EPEAT criteria addresses the entire life cycle of the goods including design, production, energy use and recycling.

Fair trade Australia New Zealand

The Fairtrade mark is a globally recognised label displayed on goods that have been independently certified along the supply chain to ensure they meet the social, economic and environmental standards set by Fairtrade International.

Forest Stewardship Council Certification

The Forest Stewardship Council Certification (FSC) is an internationally recognised certification system that provides a guarantee that processes and operations or the production and source of goods meet the FSC standards. Independent certification bodies certify forest managers or forest goods companies.

Fuel Consumption Label

The fuel consumption label is an Australian Government initiative to inform consumers of the fuel consumption of a car and the potential carbon emissions and allow purchasers to compare vehicles using a common basis. It is a requirement that model specific fuel consumption labels are to be placed on the windscreens of all new vehicles up to 3.5 tonnes gross vehicle mass. It is also a requirement that energy consumption labels are placed on the windscreens of all new electric and externally chargeable hybrid electric vehicles.

Good Environmental Choice Australia

Good Environmental Choice Australia (GECA) offers a suite of services, including Australia's only not-for-profit multi-sector ecolabelling program. Following ISO 14024 principles and ISEAL frameworks for global best practice in ecolabelling, all GECA standards are independently assessed. GECA's Claims Authentication service provides independent third-party assurance that a claim has been substantiated through an in-depth exploration.

Green Tag ™ Certification

Green Tag ™ certification is a third party green building and goods certification and rating system that is underpinned by scientific and Life Cycle Assessment (LCA) processes. The purpose of the program is to allow the market to understand the degree to which a good is ecological, safe and socially responsible. Green Tag ™ compares the goods to 'worst case, business-as-usual' goods with the same functional purpose.

Green Tick Sustainable Certified

The Green Tick Certified Sustainable scheme is a sustainability certification authority that promotes goods and services that have been independently certified as environmentally sustainable. Green Tick Certification Standards address health, safety and environment.

Programme for the Endorsement of Forest Certification

Programme for the Endorsement of Forest Certification (PEFC) works to protect forests by promoting sustainable forest management through certification. It is an umbrella organisation that endorses national forest certification systems which have been developed and tailored to local priorities and conditions.

Recycled content

Recycled content is defined in Australian Standard 14021:2018. This logo can be used to indicate the percent of recycled content. Where recycled content has been claimed, the percentage of recycled material based on the mass of the goods, is to be stated, the percentage of recycled content in goods and their packaging are to be stated separately, not aggregated. The use of the recycled content symbol is optional and may be accompanied by a percentage value.

Responsible Wood

Responsible Wood is an Australian certification scheme underpinned by the internationally recognised PEFC. The scheme and its standards promote environmentally sound, socially just, and economically viable management of forests. Certification of compliance with standards is carried out by independent third-parties. Responsible Wood is relevant to wood sourced from Australia.

Water Rating Label

This is an Australian/New Zealand rating system to compare appliances based on their water efficiency using stars. The rating is managed alongside the mandatory Water Efficiency Labelling and Standards (WELS) Scheme. To be considered 'green' it must be four stars or above.

Certifications, Building and Construction

EnviroDevelopment

Environmentally sustainable developments can receive EnviroDevelopment certification in the form of leaves. Up to six leaves can be received and they represent six categories of sustainability—ecosystems, waste, energy, materials, water and community—for outstanding performance in four or more of these areas. Developments that have received certification have been designed to protect the environment and promote the responsible use of resources.

Green Star

Green Star is an internationally recognised holistic rating and certification scheme designed by Australian industry for the Australian built environment. The scheme assesses sustainability in design, construction, operation and fit outs. Buildings, refurbishments or precincts are awarded a star rating based on a numeric score that corresponds to the project's performance against a series of weighted credits. The scheme is administered by the Green Building Council of Australia and certified as compliant with the ISO 9001:2015 – quality management system. Projects that claim to meet the requirements of Green Star but are not certified are potentially in breach of trademark rules and may be accused of 'greenwash'.

Infrastructure Sustainability Rating Scheme

The Infrastructure Sustainability Rating Scheme was developed by Infrastructure Sustainability Council of Australia (ISCA) as a way to drive and evaluate sustainability in infrastructure projects and assets. ISCA assess sustainability across the planning, design, construction and operational phases based on the quadruple bottom line (governance, economic, environmental and social). Projects are assessed by third party verifiers and awarded an Infrastructure Sustainability (IS) rating based on an overall score.

National Australian Building Energy Rating System

The National Australian Building Energy Rating System compares the performance of buildings or tenancies to other similar buildings in the same location. The system uses 12 months of actual energy, waste, water and indoor environment data and calculates a star rating to reflect the performance of the building. Projects that claim to meet the requirements of NABERS but are not certified are potentially in breach of trademark rules.

Standards

International Organization for Standardization

The International Organization for Standardization (ISO) is a non-governmental international organisation that, through its members, provides voluntary and market relevant international standards that support innovation and provide solutions to global challenges. A number of ISO standards have been developed to help organisations incorporate environmental outcomes and are ISO:20400 for sustainable procurement, ISO:14020 for environmental labelling, ISO:15392 for sustainability in building construction – general principles, and ISO: 20245 for cross-border trade of second-hand goods.

Product stewardship schemes

Australian Packaging Covenant Organisation

The Australian Packaging Covenant is a cooperative arrangement between industry and Australian, state and territory governments. It operates to reduce the environmental impacts of consumer packaging—including plastics, paper and cardboard—by changing the culture of businesses to design more sustainable packaging, increase recycling rates and reduce litter.

National Television and Computer Recycling Scheme

The National Television and Computer Recycling Scheme provides Australian households and small businesses with access to free industry-funded collection and recycling services for televisions and computers, including printers, computer parts and peripherals.

Mobile Muster

MobileMuster is the mobile phone industry's recycling program. Administered by the Australian Mobile Telecommunications Association (AMTA) on behalf of the mobile phone industry, MobileMuster provides a free collection and recycling service to consumers to help keep mobile phone products out of the general waste stream and to ensure they are recycled in a safe, secure and ethical way.

Tyre Stewardship Australia

Tyre Stewardship Australia (TSA), established by tyre importers, administers the national tyre product stewardship scheme. The scheme aims to increase domestic tyre recycling, expand the market for tyre-derived products and reduce the number of Australian end-of-life tyres that are sent to landfill, exported as baled tyres or illegally dumped. TSA also conducts education, communication and market development activities.

APPENDIX D
Model Clauses for Environmental Sustainability

The model clauses contained in this appendix provide example environmental sustainability requirements for Approach to Market (ATM) documents as well as contract terms for Australian Government procurers.

How to use these model clauses

All model wording contained within this Guide is optional and can be amended to reflect the scope, complexity and risk of a particular procurement. Officials should consider the context of the procurement before using model wording and ensure the wording is compliant with the Commonwealth Procurement Rules.

Key tips to interpret the model clauses

- Uses of terms consistent with the Commonwealth Contracting Suite templates. For example: 'Supplier'; 'Customer'; and 'Contract'. Commonwealth entities can amend these terms if required by specific policies.
- Optional wording is indicated by square brackets with red highlight: *[annually]* or *[10]* *business days*.
- Model wording for ATM requirements and contract clauses is *written in italics.*

Evaluating environmental sustainability

Note to Drafters: After specifying the environmental sustainability requirements in the ATM documents, it is recommended that environmental sustainability be assessed in the overall evaluation process alongside organisation-specific criteria such as cost, quality and reliability. If available, weightings should be assigned according to the agency's objectives, priorities and targets.

Sustainability reporting requirements

Note to Drafters: The Customer should identify their environmental sustainability reporting requirements early in the procurement process. Reporting requirements can include specific reporting metrics or a standardised reporting framework. These requirements should be included in the ATM documents and Additional Contract Terms. The Customer can use Key Performance Indicators (KPIs) to ensure the Tenderer/Supplier delivers environmental sustainability outcomes over the term of the Contract, and report regularly on this progress. Refer to the KPI examples under *Step 2: Approach the market.*

A. Environmental Sustainability

Best suited to Goods and/or Services procurements over $80,000 (GST inclusive) where the Customer has identified potential sustainability and use of Recycled Content opportunities. Detailed information on opportunities may be unknown due to limited market information or subject matter expertise. For support with identifying sustainability opportunities contact sustainable.procurement@awe.gov.au.

Example procurements: office furniture, office fit outs and outdoor applications (pavements or park benches).

ATM Requirement	Contract Terms
Use the single clause: **Reduce environmental impacts and / or use Recycled Content** *The National Waste Policy (2018) outlines Australia's strategy for transitioning to a circular economy. The National Waste Policy Action Plan (2019) details the actions required across government and industry to implement the National Waste Policy (2018). More information is available at: https://www.awe.gov.au/environment/protection/waste/how-we-manage-waste/national-waste-policy* *Sustainability and use of Recycled Content is a priority within the Action Plan (2019) and is of particular importance for this procurement.* *The Response should detail how the Potential Supplier will deliver cost effective, practical and fit-for-purpose sustainability outcomes.* *The Potential Supplier should demonstrate in their Response how Goods and/or Services will be delivered in a way which:* • *reduces environmental impacts; and/or* • *uses Recycled Content in Goods and/or Services to the maximum extent possible without compromising the safety, quality or capability of the Goods and/or Services.*	Use the single clause: **Continuous improvement** *The Supplier must review and report to the Customer on further opportunities to improve environmental sustainability outcomes and increase use of Recycled Content over the term of the Contract as opportunities arise and at regular intervals with a frequency of no less than [annually]. The Supplier must utilise these opportunities when directed by the Customer to do so, subject to the parties agreeing any reasonable amendments to the fees and payment arrangements directly associated with the relevant opportunities.*

An Ideal Response to the ATM Requirement

An ideal response would:

- Outline how the Potential Supplier will manage key environmental risks and the Potential Supplier's plan or process to deliver positive sustainability outcomes. Environmental impacts can include prevention of pollution, sustainable resource use, climate change risks and biodiversity, habitat or environmental protection.
- Outline how the Potential Supplier will identify opportunities and prioritise use of Recycled Content in Goods and/or Services. The Potential Supplier would also outline how it will meet and maintain safety, quality and capability outcomes while using Recycled Content, including how the Potential Supplier will manage any risks.

B. Environmental Management Practices

Best suited to Goods and/or Services procurements over $200,000 (GST inclusive) where the Customer wants evidence on how the Supplier will manage direct environmental risks and impacts.

Example procurements could be:

- Infrastructure projects which involve development approval and environmental impact assessments.
- Manufacturing or production services which involve resource consumption or pollution. This could include printing, electricity and gas supply or lab research with hazardous chemicals.

ATM requirement	Contract Terms
Use the main clause and the additional clause as needed: **Main clause – Environmental Management Practices** *The Potential Supplier should detail its environmental management practices including any Environmental Management Systems, policies and/or processes as applicable. Where the Potential Supplier has referred to any third party certifications, such as International Organization for Standardization (ISO) ISO14001:2015 Environmental Management Systems and ISO20400:2017 Sustainable Procurement, it should supply a copy of the third party certificates with its Response. Where environmental claims (such as "eco-label", "green" or other environmental claims) are made in the Response, the Response should include the methodology used to evaluate the claim and any third-party certificates as applicable.* **Additional clause – Australian Packaging Covenant Organisation affiliation** *If the Potential Supplier is a member of the Australian Packaging Covenant Organisation (APCO), it should advise in its Response which category or categories its membership is under.*	Use the main clause and additional clauses as needed: **Main clause** *The Supplier must implement and maintain a documented Environmental Management System.* **Additional clause – meeting International Standards** *The Supplier's Environmental Management System must address the requirements of ISO14001:2015 Environmental Management Systems.* **Additional clause – verifying against International Standards** *The Supplier's Environmental Management System must be third party certified to ISO14001:2015 Environmental Management Systems.*

An Ideal Response to the ATM Requirement
An ideal response would include an Environmental Management System framework which outlines: Planning – identifies significant environmental impacts, legal environmental obligations and key environmental objectives Implementation and operation – an environmental policy as well as documented roles, responsibilities and other records to deliver environmental obligations and objectives. Other resources may include environmental training, external communication plans for environmental impacts and records of management review. Quality control – processes to monitor and measure environmental performance, evaluate compliance, undertake corrective action for environmental issues and conduct internal audits on the Environmental Management System. Third party certificates for any ISO or other environmental claims.

International Standards

Note to Drafters: ISO14001:2015 Environment Management Systems sets out a framework for establishing an effective environmental management system. The model wording does not need the Customer nor Potential Suppliers to have access to ISO14001:2015. Rather, the model wording allows Potential Suppliers to provide assurance to the Customer on their efforts to reduce environmental impacts by providing certification.

C. Environmental Sustainability Plan

Applicable to most Goods and/or Services procurements regardless of value.

Ideal for a Customer seeking:

- a Supplier to actively pursue Recycled Content and sustainability outcomes over the term of their contract; and
- a transparent and accountable reporting system for Recycled Content and sustainability impacts.

ATM requirement	Contract Terms
Use the single clause: **Request draft Environmental Sustainability Plan** *Potential Suppliers should include a draft Environmental Sustainability Plan in its Response to demonstrate how it will satisfy the specified environmental sustainability requirements, including:* • *[add sustainability plan requirements outlined below]*	Use both clauses: **Main clause – timeframes & approval** *The Supplier must deliver to the Customer an Environmental Sustainability Plan within [20] business days of Contract execution for Customer approval. The Customer must within [10] business days notify the Supplier of its approval of the Environmental Sustainability Plan or outline required changes for the Environmental Sustainability Plan. The Supplier must resubmit a revised Environmental Sustainability Plan which addresses the required changes within [10] business days of being notified of the required changes for approval and this clause will apply to any resubmitted Plan.* *The Supplier must report against the Environmental Sustainability Plan on a [annual] basis or when otherwise directed by the Customer to do so.* **Main clause – sustainability plan obligations** *The Environmental Sustainability Plan must describe:* a. *[add sustainability plan requirements]*
Add the sustainability plan requirements as needed: • *How it will work with suppliers and the Customer to minimise or avoid waste to landfill throughout the life cycle of Goods delivered or consumed in delivery of Services under the Contract, including what happens to Goods at end of life;* • *How it proposes to use Recycled Content in Goods and/or Services delivered under the Contract to the maximum extent possible without compromising quality, safety or capability;* • *A list of Recycled Content products proposed for use under the Contract, including the proportion of Recycled Content used in each product and Recycled Content product supplier details;* • *How any Recycled Content proposed to be used under the Contract will be recorded, reported and verified;* • *How it will work with the Customer to continually improve the environmental sustainability of Goods and/or Services delivered under the Contract over the term of the Contract;* • *Any standards or specifications specific to use of Recycled Content in Goods and/or Services delivered under the Contract;* • *Any whole-of-life and /or life cycle costing tools proposed to be used under the Contract; and* • *Any risks associated with the Environmental Sustainability Plan, and proposed risk management methodology.*	

An Ideal Response to the ATM Requirement

An Environmental Sustainability Plan that addresses all the applicable points, allowing the Customer to clearly understand the environmental risks and opportunities associated with the procurement. The evaluation team should have confidence that the Potential Supplier understands their environmental impacts and has processes in place to manage its environmental impacts, and to monitor and continually improve their environmental performance.

The Response may include:

- A Waste Management Plan in which the Potential Supplier details their approach to manage waste associated with their goods and/or services
- Innovative end of life opportunities for goods, such as buy-back schemes or options for re-use or re-purpose.
- Information on the financial costs and environmental impacts associated with suggested end of life options
- Recycled Content product options applicable to the procurement, including the proportion of Recycled Content used in the product, therefore detailing the proportion of waste the Potential Supplier will divert from landfill in the delivery of their Goods and/or Services.

D. Waste Management

Best suited to procurements of good or material-intensive services. For example:

- Catering (reduce food wastage)
- Uniforms (use recycled fabrics and recycle clothing at end of life)
- ICT hardware (use recycled metals and dismantle product at end of life to reuse or recycle components)

ATM requirement	Contract Terms
Use the single clause: **Minimising waste to landfill** *The Potential Supplier should detail how it will minimise waste to landfill over the term of the Contract, including how it will work with suppliers and the Customer to reduce waste and increase use of Recycled Content.* *The Potential Supplier should also detail end of life disposal pathways for products to be used over the term of the Contract, through resale, reuse, repurpose or other product stewardship activities.*	Use the single clause: **Continuous improvement** *The Supplier must review and report to the Customer on further opportunities to improve its waste management performance through the term of the Contract as opportunities arise and at regular intervals with a frequency of no less than [annually]. The Supplier must utilise these opportunities when directed by the Customer to do so, subject to the parties agreeing any reasonable amendments to the fees and payment arrangements directly associated with the relevant opportunities.*

An Ideal Response to the ATM Requirement
An ideal response would include: • A Waste Management Plan in which details how the Potential Supplier intends to manage waste associated with their Goods and/or Services. • Innovative end of life opportunities for goods, such as buy-back schemes or options for re-use or re-purpose. • Information on the financial costs and environmental impacts associated with suggested end of life options • Detailed Recycled Content product options applicable to the procurement, including the proportion of Recycled Content used in the product, therefore detailing the proportion of waste the Potential Supplier will divert from landfill in the delivery of the goods and/or services.

E. Use of Recycled Content

Best suited to primarily goods, though some services over $80,000 (GST inclusive) where the Customer can identify high opportunities to use Recycled Content through market research. For example:

- Office stationery (recycled paper and plastic in pens, notepads, document trays and folders)
- Laying roads (recycled glass in road base or recycled rubber in asphalt)
- Building fit out (recycled plastic or metal in chairs, desks and dividers)

Refer to Products made with Recycled Content for more examples.

ATM requirement	Contract Terms
Use one or both requirements as needed: **Request Recycled Content products and data** *The Response should include the:* • *products containing Recycled Content;* • *mass and proportion of Recycled Content used in each product;* • *overall mass and proportion of Recycled Content which could be used in the procurement;* • *country of origin for Recycled Content; and* • *supplier of the Recycled Content product* **Environmental sustainability or Recycled Content Standards and Specifications** *The Response should include any known environmental sustainability or Recycled Content Standards and Specifications associated with delivery of Goods and/or Services under the Contract including, but not limited to, the following:* • *[Insert key environmental sustainability and Recycled Content standards and specifications relevant to this procurement here]*	Use one or a combination of clauses as needed: **Optimising appropriate use of Recycled Content** *Recycled Content must be used where reasonably practicable and where that use will not compromise the safety, quality or capability of the Goods and/or Services.* Recycled Content Standards and Specifications *The Supplier must comply with all relevant Recycled Content Standards and Specifications associated with delivery of Goods and/or Services under the Contract including, but not limited to, the following:* a. *[Insert key environmental sustainability and Recycled Content standards and specifications relevant to this procurement here]* **Reporting use of Recycled Content** *The Supplier provide a [monthly] report on the use of Recycled Content under the Contract, that includes at least the following information:* *A list of products containing Recycled Content and the mass and percentage of Recycled Content within each product.* • *[Add Recycled Content reporting requirements as required]*

An Ideal Response to the ATM Requirement

An ideal Response would:

- Outline how the Potential Supplier intends to incorporate Recycled Content into the Goods and/or Services.
- Detail Recycled Content product options applicable to the procurement, including the proportion of Recycled Content used in the product, and the product supplier.
- Provide an outline of how the Potential Supplier will report on its use of Recycled Content in Goods and/or Services to the Customer, including what information will be reported, and when.
- Advise how the Potential Supplier will monitor and improve its use of Recycled Content over the term of the contract to use Recycled Content to the maximum extent possible.

awe.gov.au

ENV336.1021