

Environmental Procurement Guide

Introduction

This guide provides additional information and practical advice to State agencies on how to integrate environmental sustainability considerations into the procurement process.

The extent to which environmental considerations should be applied to a particular procurement will vary depending on a range of factors, including the procurement's value and significance, the severity of associated environmental impacts, the maturity of the market and regulatory requirements.

This guide should be used in conjunction with the Western Australian Social Procurement Framework and accompanying Practice Guide with a focus on delivering improved Community Outcomes. ([link](#))

How to procure sustainably

Sustainable procurement involves the State agency meeting a need for products and services in a way that achieves value for money while minimising damage to the environment over the entire life cycle of a product or service.

Sustainable procurement can minimise a State agency's environmental impact as well as achieve Community Outcomes and reduce operational costs.

State agencies should review demand, only buy what is needed, and first seek more sustainable solutions

Integration: State agencies should integrate environmental considerations into all existing procurement processes; and

Entire life cycle of the purchase: State agencies should make purchasing decisions based on the entire life cycle of the goods, services and works taking into account associated costs, environmental risks and benefits including broader environmental implications. The assessment of cost needs to consider any ongoing costs that may accrue beyond the initial price. This includes the associated costs of holding, using, maintain and disposing of the goods, services and works.

Sustainable procurement considerations

Environmentally preferable products and services are defined as those that have a lower impact on the environment over the life cycle of the goods, service or works when compared with competing goods, services or works serving the same purpose.

There are significant variations in the environmental impacts associated with different commodities. In order to ensure that damage to the environment is minimised, it is necessary to determine the impacts that are most significant for a particular commodity.

Key environmental issues, which might be considered over the life cycle of the product/service, include:

- Energy use, and type of energy used;
- Water use and water quality impacts;
- Resource use, including the use of non-renewable resources and use of recycled materials;
- Volume and type of waste generated;

- End-of-life options, e.g. reuse, recyclability, resource recovery;
- Impact on natural habitat;
- Level of toxic and hazardous substances/waste; and
- Noise, pollutants and emissions.

Desirable outcomes / benefits

- Improved air quality by reducing or eliminating emissions to air (e.g. greenhouse gases, such as carbon dioxide, and other pollutants);
- Reduced use of water (e.g. water saving or efficiency);
- Improved water quality by reducing or eliminating releases to water (e.g. chemical pollution of water courses);
- Improved soil quality by reducing or eliminating releases to land (e.g. chemical fertilisers);
Reduced demand on raw materials and natural resources (e.g. sustainable forestry, biodiversity);
- Reduced use of energy (e.g. energy efficiency, use of renewable energy);
- Reduced energy emitted (e.g. heat, radiation, vibration, noise); and
- Reduced waste and by-products (e.g. waste avoidance, reuse, use of recycled products or products with recycled content, recycling and resource recovery).

Where it is not possible to calculate dollar benefits associated with environmental impacts, they can be described in other quantitative terms, for example:

- Energy use (Kwh);
- Usage (mega litres);
- Resource use (kg per product);
- Waste production (kg per product, or percent of product);
- Packaging type and quantity (kg per product); and
- Waste water parameters (BOD, TSS, P, flow).

Key considerations to procure sustainably

- Managing risk (including opportunity) – in the context of sustainable procurement, the objective of risk management is to identify, prioritise and manage internal and external risks (including opportunities) related to procurement activities. This will ensure that environmental impacts are managed appropriately, resources are applied effectively and that decisions made can be justified. Risk management of sustainable procurement should be integrated into the procurement process.
- Addressing adverse environmental impacts through due diligence – these can be addressed through the State agencies procurement practices and the design or disposal of goods or services by the State agency. Due diligence is a way to address adverse impacts. When State agencies identify potential negative impacts, they should seek to prevent or control, or treat and control, actual adverse environmental impacts.
- Exercising influence – a State agency should wherever possible exercise its ability to influence the behaviour of suppliers and other stakeholders towards sustainability.
- Avoiding complicity – a State agency should avoid becoming complicit in wrongful acts of other organisations that cause environmental impacts.

Integrating environmental considerations into the procurement process

To integrate environmental considerations into the procurement processes, State agencies should first:

- Clearly articulate their objectives and goals as they relate to sustainable procurement to ensure consistency with any overarching relevant government objectives; and
- Clarify accountability within the State agency to ensure support for and commitment to implementing sustainable procurement in a manner that is consistent with the State agency's objectives and goals.

By integrating sustainability in procurement policies and practices, State agencies can manage risks and identify opportunities for sustainable development.

Planning: Preparing a Sustainable Sourcing Strategy

Wherever possible, environmental considerations should be integrated into the procurement process at the very outset – i.e. at the early procurement planning stage.

Demand management and analysis strategies

Before beginning a proposed procurement, State agencies are encouraged to consider relevant demand management strategies that can potentially reduce overall consumption levels, identify more sustainable alternatives, or in some cases negate the need to undertake the procurement. Examples include:

- Reducing frequency of use or consumption;
- Leasing/sharing (consolidating demand) or outsourcing arrangements when possible;
- Considering the use of recycled or renewable or environmentally friendly options;
- Exploring option of reusing, repairing, repurposing or recycling goods;
- Consider the lifespan of the product, options for extended warranties;

During demand analysis, consideration should be given to the required outcome sought from the procurement and whether the 'need' can be met by alternative means.

Assessing environmental impacts and opportunities

Depending on the value, sensitivity and complexity of a proposed procurement, there are a number of actions that a State agency or officer can undertake in order to better understand the environmental impacts and opportunities.

For example, an environmental impact and opportunities assessment are useful for major procurement activities to understand the potential to influence suppliers. One way to identify relevant opportunities is to consider the life cycle of a product. When prioritising, agencies may need to determine:

- How important is this issue/impact to the Government?
- What scope is there to improve?
- Will the market be able to respond to this issue/impact?

There are three factors to consider when prioritising sustainability impacts and opportunities:

- **Significance of the potential impact and opportunity:** determine the degree to which the environment can benefit from the State agency’s decision (for example, the possible scenarios that may arise if action is taken/not taken).
- **Relevance to government:** assessing, for example, alignment with the State agencies objectives and commitments, or linkages with core activities.
- **Ability to influence:** determining the difference that can be achieved by focusing evaluation criteria on the identified opportunities (e.g. capacity to influence suppliers to adopt more sustainable practices).

It is important that State agencies determine how impacts and opportunities that might arise will be communicated and managed.

Other Information

Resource	Source
ISO20400:2017 Sustainable Procurement Guidance	www.iso.org/standard/63026.html
Infrastructure Sustainability Council of Australia	www.isca.org.au
Eco Specifier	www.ecospecifier.com.au
Good Environmental Choice Australia	www.new.geca.eco
United Nations Sustainable Consumption and Production Platform	www.scpclearinghouse.org