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Sustainability and the Supply Chain



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Section 5 overview

A common goal for all organisations is to convert environmental opportunities into business growth and continuity. This can be achieved by:

- working cooperatively with your supply chain to facilitate improvements that reduce cost of purchases or ease of manufacture
- improving the environmental quality of purchases
- supporting environmental marketing to customers
- building productive long-term relationships with valued suppliers and customers.

5.1 Greening the supply chain

Provides ideas and tools to help you identify opportunities then prepare a tailored strategy and implementation plan for engaging with your supply chain on sustainability issues.

Worksheet 5.1A Supplier relationships

Worksheet 5.1B Supply chain risks and opportunities

Worksheet 5.1C Supplier engagement strategies.

5.2 Sustainable services and supply through tendering

Provides advice about how to use the tendering process for building management services and supplies to support your organisation's sustainability goals, including environmental specifications and criteria you can adapt and use in tender documents and procurement contracts.

Worksheet 5.2A Specifications for building management services and supplies

Worksheet 5.2B Criteria for building management, waste and cleaning services

Worksheet 5.2C Evaluating tenders for building management services and supplies.

Greening the supply chain

5.1

Context

By establishing collaborative relationships and focusing on performance requirements, the supply chain can play an important role in helping property organisations and their tenants become more sustainable – financially, environmentally and socially.

To achieve environmental outcomes, levels of engagement with suppliers vary from straightforward purchasing of materials with minimal environmental impact (e.g. cleaning products, office consumables), to selecting contractors based in part on their environmental record and willingness to collaborate on joint environmental initiatives (e.g. cleaning and maintenance companies, security contractors and managing agents, waste and recycling contractors and fitout contractors and their subcontractors). These joint sustainability initiatives may be instigated by property owners, managers or tenants. However, it can be very effective if building owners, managers and tenants collaborate because if tenants are encouraged to bring about improvements that assist base building initiatives this, in turn, can have positive outcomes on a range of issues from waste minimisation and recycling to indoor environment quality improvements. Alternatively, environmentally sustainable initiatives brought about by base building management will influence tenants to meet new benchmarks. The potential and feasibility of opportunities to engage the supply chain depend on the type of relationship, the nature of contracts, the scale of environmental risk, the potential reputation benefits and the capacity to share benefits.

Waste and procurement are inextricably linked. The life cycle of a product must be considered before a purchase is made. Increasingly, companies are offering 'take-back' on redundant electronic goods when replacements are purchased. If not, disposal must be considered. Can the redundant product be reused or recycled? How can this be achieved?

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Supplier relationships

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Supply chain risks and opportunities

Worksheet 5.1C

Supplier engagement strategies

Steps: Engaging the supply chain in sustainability initiatives

The following steps are a guide to identifying opportunities and initiating improvements across the supply chain.

1 Identify environmental risks and opportunities in your supply chain

Identify the potential environmental risks and opportunities in your supply chain and how this relates to your business goals and stakeholder expectations. Ask the questions:

- To what extent does the supplier, and the nature of the supply contract, impact on managing environmental risks?
- How can you collaborate with suppliers to improve the environmental performance of products and services and reduce these risks?
- What are your stakeholders' expectations?

Identify your supplier groups

An important step in engaging your supply chain is identifying your different supplier groups. This will help you assess the level of influence you have with the supplier, the level of risk involved and hence help you prioritise your engagement approach. Worksheet 5.1A describes the increasing capacity to influence sustainability outcomes across four basic purchaser–supplier relationships.

Conduct a workshop

Make this step a collaborative, workshop-based exercise involving the people in your organisation responsible for procurement, tendering and contracts, environmental performance and operational management. Worksheet 5.1B provides a template for recording supply chain risks and opportunities.

An example of a risk is lack of proper training for cleaning staff leading to tenant dissatisfaction and unplanned maintenance costs if you are using waterless urinals. The cleaning contract needs to ensure there is adequate training and instructions for waterless urinals and reducing water use generally.



Working with our suppliers and contractors Sustainable Supply Chain Management Pilot Program

'We are committed to operating our business in a responsible and sustainable manner and prefer to conduct business with like-minded suppliers. In 2007 we developed a draft Sustainable Supply Chain Management policy and Supplier Code of Conduct, and have piloted both documents with ten of our key suppliers.

To give us an understanding of the commitment of our top 100 suppliers, we reviewed their published statements in the areas of corporate governance, social responsibility and environmental management, including climate change risk and carbon management. From this group we selected ten key suppliers to work towards better aligned sustainability goals. These ten suppliers were selected on the basis of their understanding of CR&S. They are positioned in their market to influence their peers and their own supply chain. They are also representative of a range of goods and service providers that are important to our business, and together they represent 17% of our financial year expenditure.

Responses revealed that each of these suppliers have established policies and codes of practice such as safety, health and environmental management although few have commenced reporting on their social and environmental impacts. We provided confidential feedback to the suppliers to share and identify strengths and opportunities for improvement.

We intend to continue with this program by working with more groups of key suppliers, in forums and as part of our ongoing business. Our willingness to work collaboratively with our suppliers to develop CR&S goals and actions was well received and understood.'

Stockland, www.stockland.com.au

2 Communicate your commitments

Communicate your commitment to improving the performance of your supply chain to your customers and suppliers. This could be articulated through a sustainable procurement policy. Also consider including a statement in your organisation's sustainability or environmental policy making a commitment to, for example, 'engage and work cooperatively with suppliers to improve the environmental performance of their products and services.'

3 Develop engagement strategies

Use the risks and opportunities identified in Step 2 as the basis for developing engagement strategies that are specific to your different supplier groups (See Worksheet 5.1A). These could range from:

- simple screening of products, e.g. purchasing of more environmentally preferable goods such as recycled content paper
- minimum performance standards for suppliers and contractors, e.g. having an industry recognised environmental management system (such as ISO 14001)
- collaborating on joint projects e.g. reviewing a product design or providing training to cleaners on how to use the waste and recycling system, or
- working in partnership with suppliers for environmental improvement and cost effectiveness with a view to sharing the future benefits and demonstrating goodwill.

Worksheet 5.1C summarises the various approaches that can be taken, depending on the relationship level with suppliers (adapted from the Global Environmental Management Initiative 2001 Global Supply Chain Project incorporating Australian examples).

Designing your strategies: issues to consider

- Can the initiative be incorporated into existing procurement processes and tools i.e. be 'piggy-backed'? This will help prevent environmental requirements being seen as a new way to unfairly screen or pressure suppliers.
- Does it clarify requirements that are critical? For example, the scope of questionnaires should reflect what information is critical rather than what may be interesting to know.
- Can it be limited to one or two critical performance areas, such as greenhouse gas emissions or water conservation? Once progress has been demonstrated, the program can be expanded.



Investa's preferred supplier questionnaire

'Investa's preferred supplier questionnaire contains 50 questions covering a range of issues from OH&S compliance, environmental performance to training and community engagement. Each response is evaluated by the person engaging the provider, their line manager and the OH&S and Environment Manager before the provider is approved.'

During 2007 Investa observed a significant increase in the quality of safety and environmental documentation supporting applications, which is a positive sign.'

Investa Property Group, www.investa.com.au

Delivering our sustainable supply chain management initiative

The Sustainability Advantage Program administered by the Department of Environment and Climate Change NSW (DECC) helps organisations to incorporate sustainability principles into their purchasing practices and across their supply chain. By linking them with procurement and sustainability expertise, the program helps organisations to set priorities and integrate environmental strategies into their procurement planning.

A Sustainable Supply Chain Management Policy and Code of Conduct among a small group of suppliers associated with a property development project has been implemented through the program. After refining the policy, DECC will roll it out to a wider group of suppliers, encouraging more organisations to address the sustainability principles set out in the policy.

For more information please contact Business Partnerships on (02) 8837 6000 or email sustainbus@environment.nsw.gov.au



- Do your suppliers understand your intentions and recognise the benefits of compliance for their own business development?
- Do you and your suppliers have the skills and resources required to deliver on your commitments? If not, what steps can you take to change this?

4 Implement your strategies

Implement your strategies and keep stakeholders up to date on your progress. To ensure your supply chain initiatives are successful you may need to consider:

- **Identifying a champion** within the supplier organisation who can lead the way in working with you. This may not necessarily be an individual responsible for managing the supply contracts or any specific environmental improvement projects but someone who can take senior management responsibility and maintain enthusiasm over the life of the project. Champions are likely to be successful where the supply contract is significant, lengthy or of high environmental risk, such as the provision of innovative environmental technologies.
- **Defining individual staff responsibilities** at the outset with a clear statement about which individuals in the purchasing organisation and supplier organisation need to do what, by when.
- **Agreeing on the documentation required to substantiate environmental performance claims** by the supplier and the purchaser. This is critical to ensure the purchaser employs an adequate due diligence process to avoid potential legal or contractual liabilities and to minimise the risk of 'green washing'. A potential first choice could be using products approved by the Australian Environmental Labelling Association (using their licensed 'Good Environmental Choice' label) or those listed on the Australian ecospecifier website database. If these are not appropriate and in-house verification is chosen, scientific rigour should be applied. Tools such as life cycle analysis and life cycle inventories could be helpful, as long as relevant data bases are used e.g. energy supply characteristics.
- **Initiating an education and awareness program** whereby your expectations are made clear to suppliers in a tangible and collaborative way, especially for longer term relationships. For example, Colonial First State Global Asset Management provides training for its managing agents on its sustainable property management procedures.

Product stewardship for electronic goods

Waste take-back and returning packaging to the manufacturer for reuse or recycling are becoming increasingly important issues. This extends producer and supplier responsibility. The onus is also on the consumer to recycle electronic waste (e-waste).

The NSW Government's *Waste Reduction and Purchasing Policy Guidelines* include the following suggestions:

- Look at the types of machines and consumables your organisation uses. Are they recycled? Will they be replaced? Who supplies them?
- Buying a networked multi-function (combined printer, photocopier, fax and scanner) reduces the number of individual machines in the office – however be aware that their increased printing capacity can increase paper use.
- Research which types of recyclable or remade machines are available. When replacing equipment ask potential suppliers if their machines take recycled cartridges. Understand the differences between different types of recycled cartridges.
- Avoid buying large and complex machines with lots of unnecessary functions – get something small, basic and robust.
- Rent equipment you only use occasionally.
- Find out if suppliers or other companies operate a take-back scheme for used machines or cartridges.
- Order cartridges with minimal packaging and in bulk if possible.

www.wrapp.nsw.gov.au/material/equip.shtml

Also investigate opportunities for reuse of electronic equipment through charities or auction houses, or recyclers that specialise in e-waste.

www.environment.nsw.gov.au/warr/ewaste.htm

- **Developing a project delivery plan for collaborative research and development projects** including milestones and performance indicators for measuring and tracking outcomes. Indicators need to be based on simple and understandable metrics such as emissions per unit or embodied energy in J/kg, or water consumption in kL/unit.
- **Documenting the learning exercise** both within your organisation and if necessary within the supply organisation. This will enable knowledge to be more readily transferred from one supply contract to the next and will help to prevent staff changes disrupting longer term objectives.

Where a supply chain partnership is the preferred mode of engagement, ensure the project objectives are clear, e.g. asset or knowledge sharing, redesigned packaging, reduced transportation, environmental risk sharing, waste take-back including used machine and cartridge take-back, or product lease and landfill diversion. Also consider the 'embodied energy' in a product or service, that is, the direct and indirect energy requirements used in manufacture and delivery.

5 Measure and report the outcomes

Once supply contracts are let, it's critical that performance is monitored to ensure agreed objectives and levels of environmental performance are achieved. When key milestones are successfully achieved promote the improvement outcomes both internally and externally.

The promotion of successful initiatives may even provide that key differentiator within an organisation's competitive market, and as such promotion may be a business development necessity.

Promoting supply chain initiatives: issues to consider

- Are your staff interested? Supply chain projects are one means of demonstrating your commitment to being a sustainable organisation.
- Let your tenants and investors know you are committed to improvements. There will be opportunities to collaborate with tenants and achieve outcomes that suit their needs as well as yours.
- Can it be verified? Promotion attracts scrutiny, often by existing or potential tenants, and in some situations, by government or non-government organisations or consumer watchdogs. Some tenants, ethical investors or regulators may expect independent verification of your claims. For more information see The Australian Securities and Investments Commission (asic.gov.au and fido.gov.au).



Developing a supplier performance tool

'Our Commercial and Industrial Division has developed a supplier performance tool that enables them to identify and monitor quarterly the practices of the majority of their suppliers. The tool maps performance against a standard set of questions covering occupational health and safety, service level agreements, corporate responsibility and sustainability, along with financial and administrative performance indicators.

We use the results to identify areas for improvement. The process also encourages suppliers to expand and develop internal reporting systems to produce quarterly data for our review. The corporate responsibility and sustainability components of the assessment will be refined as we develop our sustainable policies, practices and processes.'

Sustainability and potential suppliers

'We're also considering sustainability principles in relation to potential suppliers. Our supplier selection process looks at whether a supplier's infrastructure fits with the principles embodied in our draft policy. Once on board, we work with suppliers to establish appropriate objectives and benchmarks to guide our working relationship.'

Stockland Corporate Responsibility and Sustainability Report

Lessons from multinationals

(The following list has been adapted and reprinted with permission from the publisher, Institute of Supply Chain Management and W. P. Carey School of Business at Arizona State University, 'Environment Supply Chain Management' by Ram Narasimhan, PhD, and Joseph R. Carter, D.B.A., C.P.M., (CAPS Research) 1999.)

Consider these key findings from research into multinational commercial property companies engaging with their supply chain :

- An early emphasis on environmental issues is important in supply chain relationships.
- The early integration of suppliers into all decisions affecting them is critical to environmental effectiveness.
- Safety and environmentally responsible processes are important criteria for supplier selection.
- Synergy between the company's strong environmental image and reputation, and environmentally sensitive products, is important.
- The close alignment of the supplier's capabilities with the purchaser's environmental goals is critical to a program's success. This can be achieved through an alliance that supports the supplier's organisational and informational framework and by benchmarking performance according to environmental, quality and cost parameters.
- Change should be viewed as a competitive tool and environmental efficiency viewed as a positive catalyst for change.
- Organisations need to carefully justify all environmental changes through either cost reduction or customer satisfaction issues.
- Using a customer-driven environmental management system along with standard operating procedures facilitates supply chain integration.
- Products and processes should be subjected to continual critical analysis at every stage of the value-adding process.
- The focus of continuous improvement used so effectively in total quality management programs can be applied quite effectively to improving environmental efficiency and effectiveness.
- Supplier audits on environmental issues require a cross-functional initiative involving employees from quality assurance, environmental affairs and purchasing.
- Using tools such as life cycle assessment and environmental audits improves environmental and operating performance.
- An open approach of communicating environmental information to the general public is needed.



Sustainable supply chain management at Westpac

'Westpac's public commitment to corporate responsibility includes a focus on working with its supply chain (including property asset management) to positively influence mutual social, ethical and environmental performances.

Aspects of this include:

- weighting sustainability performance in tender assessments
- setting minimum sustainability performance standards in contracts
- engaging suppliers committed to looking after their own responsibility through measures aligned with Westpac's values
- setting timeframes for continual improvement and monitoring progress
- expecting adequate environmental management practices within the supplying organisation
- requiring product stewardship and extended producer responsibility commitments by suppliers
- communicating company expectations through supplier open days and workshops
- facilitating best practice sharing of information between suppliers, as appropriate.'

Westpac. For further information see www.westpac.com.au/internet/publish.nsf/Content/WICR+Supply+chain

Benefits beyond the bottom line

One key aspect of improving supply chain environmental management is recognising business benefits above and beyond the bottom line.

(The following list has been adapted from Forging New Links, Global Environmental Management Initiative, 2004.)

Traditional cost avoidance

- Avoid unplanned costs.
- Improve operational efficiency.
- Reduce or avoid operating costs – lower waste disposal fees, less time and cost in reporting, lower utility and fuel costs.
- Avoid delays and downtime due to supply interruptions (e.g. environmental incidents).
- Improve cost competitiveness.
- Assure compliance with environmental regulations.
- Reduce environmental impacts – lower ecological footprint or carbon intensity.
- Reduce risk of accidents, reduce liability and lower health and safety costs.
- Improve employee and community health through cleaner air and water, less demand for landfill and less demand for resources.

Value creation

- Improve image, brand and goodwill – raise brand recognition.
- Reduce risk to reputation, marketing credibility and customer relations.
- Better satisfy tenant expectations.
- Enhance relationships with key suppliers – work in partnership with suppliers.
- Simplify compliance with potential future environmental regulations.
- Improve ability to demonstrate due diligence.

- Initiate new product development – hence business opportunities.
- Improve competitive position due to proprietary technology.
- Broaden access to ethical investors.
- Enable competitive entry into global ethical property markets.
- Support the organisation's environmental and social sustainability vision, strategy and policy.
- Boost longer term business viability.

Further information

Product and material labelling and standards

- NSW Government Sustainable Procurement Program, www.greengoods.nsw.gov.au/index.htm
- Good Environmental Choice, Australian Environmental Labelling Association (AELA), www.aela.org.au
- Sustainable Choice, a NSW local government sustainable procurement program, www.lgsa-plus.net.au/www/html/956-sustainable-choice.asp
- ecospecifier, www.ecospecifier.org
- Australian green procurement, www.greenprocurement.org
- International Standards, www.iso.org
- Standards Australia, www.standards.org.au
- Healthy Building Network, www.healthybuilding.net
- 'Reputation or Reality – A Discussion Paper on Greenwash and Corporate Sustainability', Total Environment Centre 2005, www.tec.org.au
- Buy Recycled Business Alliance, www.brba.com.au
- The Australian Securities and Investments Commission, ASIC Regulatory Guide 65 Section 1013 DA Disclosure Guidelines December 2003, www.asic.gov.au and www.fido.gov.au

Evaluating product design and environmental performance

- Commonwealth Government, www.deh.gov.au/settlements/industry/finance/publications/producer.html
- Design Institute of Australia, www.dia.org.au
- Industrial Designers Society of America, www.greenbiz.com/resources/resource/designgreen-materials
- Minnesota Office of Environmental Assistance, www.moea.state.mn.us/berc/dfetoolkit.cfm

Life cycle assessment

- Department of Environment and Climate Change NSW, Waste Reduction and Purchasing Policy:
www.wrapp.nsw.gov.au/whatis/index.shtml
www.wrapp.nsw.gov.au/whatis/wrapploop.shtml
www.wrapp.nsw.gov.au/material/equip.shtml
- Department of Environment and Climate Change NSW, Waste stream – computer and electronics (e-waste), www.environment.nsw.gov.au/warr/ewaste.htm
- Australian LCA Network, <http://auslcanet.rmit.edu.au/home.html>
- International Standards, 14040 to 14044 LCA, www.iso.org
- RMIT, lca@rmit.edu.au, <http://simapro.rmit.edu.au/lca/datadownloads.html>
- Environmental Impact Estimator, www.athenasmi.ca
- CSIRO, www.csiro.au.

Worksheets

Review and use these Word documents:

- 5.1A Supplier relationships
- 5.1B Supply chain risks and opportunities
- 5.1C Supplier engagement strategies.

Worksheet 5.1A

Supplier relationships

Level	Relationship	Capacity to influence sustainability outcomes
Level 1 Spot purchasing	There is little or no relationship with or knowledge of the supplier. Price is the key determinant of purchase. Quality is assessed on predictable product characteristics or supplier reputation alone. Each transaction is its own business contract. Commodity items such as landscape materials, mops and pencils are often purchased on the spot market.	To control sustainability impacts, the opportunity exists to change products or product environmental performance specifications. For example, you could specify the purchase of wood products made from certified sustainable forestry sources, such as plantation timbers, and prohibit the purchase of any products made from old-growth forest resources. You could also prescribe that all paper and consumables – from printer paper to toilet paper – have a minimum recycled content.
Level 2 Competitively-based incumbent	Suppliers have a longer term business relationship, typically an annual contract against which purchase orders are issued. Contracts are renewed annually. Your business is theirs to lose. Relatively little technical cooperation is invested in these short-term relationships because a better supplier may be located in the next year. Examples include minor electrical and plumbing products and services.	To control sustainability impacts, change specifications for the annual bid and let the market know you are always looking for suppliers who can better meet these specifications. New performance levels may include materials not to be brought on site or recycling and removal of packaging waste.
Level 3 Preferred supplier	The intention is for a long-term relationship that requires and benefits from fairly frequent communication and collaboration to improve or adjust supplier inputs over time. Examples may include contracts for building maintenance or management services.	To control sustainability impacts, environmental and social sustainability performance issues are discussed and targets may be set. Performance-based contracting provides an opportunity for environmental benefits and resulting cost savings to be shared between both parties (e.g. through energy efficient lighting).
Level 4 Strategic partnerships or alliances	Relationships involve an even deeper level of commitment. Typically, there is an explicit or implicit understanding that supplier and purchaser will share the business benefits of effective collaboration. Those benefits may be to corporate reputation as well as bottom line economic benefits.	To influence sustainability impacts, add environmental or social sustainability items to the agenda of issues the partnership must address. Write contracts so the business value of better sustainability performance is shared among the partners. Examples may include long-term or portfolio-wide contracts for managing agent services or service agreements with design firms to achieve building or fitout environmental targets e.g. a 5-star Green Star rating.

Source: Adapted from 'New Paths to Business Value' Global Environmental Management Initiative, 2001: Global Supply Project. 'Forging New Links: Enhancing Supply Chain Management Through Environmental Excellence' 2004
www.gemi.org/supplychain

Worksheet 5.1B

Supply chain risks and opportunities

This is an example only – adapt this worksheet to suit your organisation’s requirements. The first category is completed as a guide: identify your own business goals and objectives and insert your opportunities and risks.

Business goals	Potential environmental risks and opportunities	Suppliers’ contributions to these risks and opportunities	Response: how to collaborate with suppliers to deal with the risk or opportunity
Reduce operating costs	Organisations sending significant amounts of waste to landfill may be incurring higher operating costs and placing a greater burden on scarce landfill facilities.	Suppliers may be using excessive packaging for products sent to purchasers or providing products in units that cannot be reused.	Work with the suppliers to help them reduce their packaging materials, or implement a packaging ‘take back’ program—thereby reducing the purchaser’s need to handle and dispose of waste and the supplier’s material handling requirements.
Increase revenue			
Protect reputation			
Reduce legal liability			
Add others			

Worksheet 5.1C

Supplier engagement strategies

Level of supplier (refer w'sheet 5.1A)				Engagement strategy	Comments and examples
1	2	3	4		
Stage 1: Pre-screening communications between purchaser and supplier					
	●	●	●	Environmental and procurement policies distributed to suppliers.	Raises awareness of the organisation's environmental procurement goals and sets the tone for future collaboration. For example, Telstra has a web page giving directions to its supply chain, including facility management services and suppliers.
	●	●	●	Code of conduct for suppliers	Communicates how business will be done with suppliers, including standards to be achieved, and may warn suppliers of unethical practices. Optus promotes its code via supply tenders. Westpac provides detailed guidance notes to suppliers to ensure its supply chain policy is well understood.
	●	●	●	Minimum environmental performance standards	Contracts often specify a level of environmental performance based on recognised standards. Colonial First State Global Asset Management (CFSGAM) sets environmental performance standards in its cleaning specifications. Ford requires all key suppliers to have in place an EMS certified to ISO 14001.
●	●	●	●	Product specifications	Product specifications can detail environmental performance requirements as well as other functional, aesthetic and value-for-money requirements. Many companies specify office paper based on its recycled content. Paints are often specified as low or no volatile organic compounds (VOCs) or timber as being from certified sustainable forestry sources.
●	●	●	●	Lists of materials to avoid	Some organisations circulate lists of chemicals or toxic materials their supply chain is to avoid. Such lists require regular updating and require some form of verification by suppliers when delivering orders. Kodak, Canon, Toyota and Ford produce such lists. The Sydney 2000 Olympic Games procurement contracts included a list of packaging materials not to be delivered to Games venues. Also check for companies and suppliers who offer to take-back packaging for reuse or recycling, or take back used electronic equipment (e-waste) and printer cartridges. www.wrapp.nsw.gov.au/material/equip.shtml www.environment.nsw.gov.au/warr/ewaste.htm

Level of supplier (refer w'sheet 5.1A)				Engagement strategy	Comments and examples
1	2	3	4		
Stage 2: Qualifying and negotiating with suppliers					
●	●	●	●	List of pre-approved materials	Lists of pre-approved materials can streamline internal procurement decisions. Suppliers need to submit expressions of interest to gain pre-approval status. Organisations wanting to use environmentally friendlier materials often use lists provided by specialists such as ecospecifier or Buy Recycled Business Alliance.
	●	●	●	Requests for proposals (RfP)	RfP for significant supply items or services can include environmental selection criteria the tenderers must address.
	●	●	●	Surveys and questionnaires	Organisations require suppliers to complete self-assessment forms. This common approach requires some level of technical capability on behalf of the purchaser. Pro-forma questionnaires exist, including a detailed product environmental data sheet initiative by the Australian Government. See also www.ecospecifier.org/knowledge_base/downloads/epds_long_questionnaire and www.nzbcsc.org.nz/supplychain/SupplyChain.pdf .
	●	●	●	Required standards of performance	Technical standards are often referenced in tenders and supply contracts are often based on applicable Australian standards or relevant international standards (e.g. ISO). Examples include the Forest Stewardship Council (FSC) certification, Good Environmental Choice labelling and ISO standards for construction materials. Sydney 2000 Olympics required key procurement contracts to include an extensive environmental tender specification.
		●	●	Supplier selection criteria/ranking	Where detailed environmental performance specifications are included in the tender selection process, it's a good idea to include the selection criteria in the information for tenderers. Sydney 2000 Olympics used a 26-point selection criteria assessment that was weighted to reflect the importance of environmental performance in the procurement contract.
●	●	●	●	Pre-approved supplier lists	A number of organisations create pre-approved supplier lists generated from responses to stage 1 pre-engagement screening. Serco-Sodexo produces lists of various suppliers that have demonstrated an ability to meet their required environmental standard. Tendering is based on price and delivery program and therefore time on both sides is reduced. Government departments use extensive pre-approved supplier panels.
	●	●	●	Contract negotiations	Depending on the scope of environmental risks, some facility management or construction contract negotiations may include environmental specialists within the purchaser and supplier organisations. This arrangement ensures transparency and a higher level of scrutiny of the supplier's environmental claims.

Level of supplier (refer w'sheet 5.1A)				Engagement strategy	Comments and examples
1	2	3	4		
Stage 3: Monitoring and continuous improvement					
	●	●	●	Performance audits	Regular audits of performance (self-audit or external audit) are common on large procurement and supply contracts in the construction industry and major infrastructure projects. Some contracts may require a self audit by the supplier, together with an annual verification audit by an independent specialist. Contracts requiring certification to ISO 14001 often require copies of the certification and re-appraisal audits before payments are made.
		●	●	Regular visits to suppliers	Purchasers may regularly visit supplier operations to inspect quality and look for incremental improvement. The NSW RTA undertakes such visits.
	●	●	●	Performance reviews	Regular performance reviews between the supplier and purchaser may include environmental performance reporting.
	●	●	●	Project-related partnering	Some supply chain initiatives can provide win-win solutions for supplier and purchaser. Often these arrangements will be subject to a partnering agreement where both parties share information and work collaboratively to achieved agreed objectives. Examples include energy performance contracts.
		●	●	Supplier training and awareness development	CFSGAM provides training and awareness to its managing agents on the company's sustainability policy and procedures. City Rail holds environmental health and safety (EH&S) training for suppliers, and many construction projects include suppliers in environmental inductions.
			●	Collaboration on R&D and new product development	Intel works with suppliers and cross-functional teams to design new semiconductor manufacturing tools that will operate with minimum EH&S impacts.

Source: Adapted from 'New Paths to Business Value' Global Environmental Management Initiative, 2001.

Global Supply Chain Project, 'Forging New Links: Enhancing Supply Chain Management Through Environmental Excellence', 2004, www.gemi.org/supplychain

Sustainable services and supply through tendering

5.2

Context

This section contains advice about how to use the tendering process to support your sustainability goals.

Because it sets the ground rules for ongoing relationships, the tendering process is the ideal opportunity to instil sustainability goals into a property's management regime whether this be base building management or the tenant's management of their internal operations, fitout and procurement. By detailing your expectations in regard to performance standards and sustainability, and by vetting prospective service providers, the tendering process has a crucial role in maintaining desired environmental and social outcomes in the long term. As well as detailing your requirements, the tendering process needs to help contractors, managers and suppliers understand the role they will be expected to play in supporting the required environmental and social outcomes.

For day-to-day purchasing of goods and services, sustainability goals can be supported by developing and implementing a purchasing policy that includes sustainability provisions. (See Section 5.1: 'Greening the supply chain'.)

Steps: Integrating sustainability into the tendering process

The following steps can be integrated into your existing procurement processes:

1 Determine thresholds

Determine the threshold at which sustainability criteria and performance standards will be included in tender and contract specifications. To determine this threshold consider:

- potential environmental risks related to the provision of this service or supply
- risk to your sustainability goals for the property, including the ability of the service provider or supplier to maintain or achieve the desired performance outcomes (e.g. efficient

What's in this section

Integrating sustainability into the tendering process p1

[Step 1 – Determine thresholds](#)

[Step 2 – Adapt tender documents to include sustainability provisions](#)

[Step 3 – Include sustainability in the evaluation process](#)

Further information p3

Worksheet 5.2A

[Specifications for building management services and supplies](#)

Worksheet 5.2B

[Criteria for building management, waste and cleaning services](#)

Worksheet 5.2C

[Evaluating tenders for building management services and supplies](#)

energy or water use, reduction in waste, NABERS Energy and other NABERS ratings

- the impact on your organisation's sustainability objectives and commitments.

See www.nabers.com.au

2 Adapt tender documents to include sustainability provisions

Oversee the tendering process so your property's or tenancy's sustainability requirements are integrated with your organisation's overarching sustainability goals.

Include sustainability provisions in the tender documents. To follow an example, use the environmental specifications and criteria set out in Worksheets 5.2A and 5.2B and adapt these to suit the tender scope and your organisation's requirements.

Make sure there is a process in place to respond to and record queries or concerns expressed by prospective tenderers.

3 Include sustainability in the evaluation process

Include in the evaluation process a thorough review of the tenderers' track records and require them to demonstrate their commitment to improving sustainability performance.

Key questions

- Is the service provider or supplier able to measure and report sustainability performance?
- Is the organisation committed to increasing its staff skills in this area?
- Does the organisation understand the importance of its role in delivering sustainable and efficient buildings?
- Is the organisation committed to working with subcontractors, e.g. cleaners or waste and recycling contractors, to ensure the commitments are implemented on the ground?

Tender evaluation process

Set up a consistent process for evaluating tenders. This includes establishing weightings for the various sustainability criteria which reflect their relative importance and level of risk. To follow an example, the evaluation team could use an evaluation form such as Worksheet 5.2C.

Worksheet 5.2C is designed to be used to record and assess the tenderers' responses to your key requirements. This form is based on the provisions set out in the model environmental specifications (Worksheet 5.2A).

The evaluation can be applied to a pre-qualification process or to a tender response. It must be made clear to applicants of both the pre-qualification or tender processes that the form requires detailed responses to all criteria.

Importantly, this evaluation is intended to support the selection of the most desirable service provider or supplier. It must identify commitments made during the tendering stage which should be included in the contract, service or supply agreement. This evaluation can supplement any other evaluation undertaken to enable a procurement decision to be made.

Although the evaluation form is designed for any service provider or supplier, allowance should be made for the assessment of small companies or companies providing a very limited scope of services.

The evaluation form is intended to be selective and easy to use. However, where environmental or social risks are significant, or key areas of performance are required, the checklist should be expanded to deal with some areas in more detail. For example, standard OH&S components could be expanded to include other social issues such as labour practices, and additional detail about previous experience or capabilities could be requested, etc.

If necessary, ask a tenderer to provide further information to clarify or support their tender response. Make sure the tenderer understands that, if insufficient information is provided to enable an adequate assessment, the tender may be rejected. Keep all documents associated with the selected tenderer for future reference.

Further information

- *Environmental purchasing checklist – Building management and tenant property services*, Australian Government Department of the Environment, Water, Heritage and the Arts, www.environment.gov.au/settlements/publications/government/purchasing/building-mgt.html
- National Australian Built Environment Rating System, www.nabers.com.au
- For guidance in the preparation of an Environmental Management Plan and Waste Plan refer to Green Star Office Design version 3, Categories MAN-6 and MAN-7, www.gbca.org.au/green-star/rating-tools/

Worksheets

Review and use these Word documents:

- 5.2A Specifications for building management services and supplies
- 5.2B Criteria for building management, waste and cleaning services
- 5.2C Evaluating tenders for building management services and supplies

Worksheet 5.2A

Environmental specifications for building management services and supplies

This worksheet contains inserts which can be adapted and used in tender and contract specifications for building services and for supplies. This is an example only – adapt this worksheet to suit your organisation’s requirements.

The desired outcome is to ensure the tender selection process appropriately addresses the environmental and social risks attributable to the product or service. See also Worksheet 5.2B for environmental criteria for building management, waste and cleaning services and Worksheet 5.2C for the environmental evaluation of tenders for building services and supplies.

Part A: Inclusions for conditions of tendering and preliminaries

Environmental management

Background

The [*building owner/building manager/managing agent/tenant*] is committed to maximising environmental and social sustainability outcomes within the properties it owns and manages.

The operation of commercial properties entails environmental and social impacts related to energy and water consumption, emissions, waste and the consumption of a range of products.

The [*building owner/building manager/managing agent/tenant*] is committed to take all reasonable measures, through the execution of this contract, to mitigate these impacts and improve the environmental performance of the building.

The [*building owner/building manager/managing agent/tenant*] therefore requires Tenderers to be aware of its environmental management requirements and to take active measures as described in this tender to adequately address these in response to this tender.

Consequently, this tender includes [XX, identifier number] **Schedule of Environmental Management** (Attachment 1) which is to be completed by the Tenderer and returned with the Tenderer’s response.

Failure to submit a response to [XX] Schedule of Environmental Management will constitute a non-conforming tender.

Key terms and outcomes

Notwithstanding any other requirement in the contract, the [*building owner/building manager/managing agent/tenant*] requires all building services associated with its properties or projects to take adequate consideration of and demonstrate compliance with the following outcomes:

- efficient use of energy including electricity, gas and other forms of energy consumed in the property
- conservation of water and promotion of water and wastewater recycling and reuse
- avoidance of materials that are toxic or create undesirable emissions or discharges or impact on indoor environment quality (including air quality)
- reduction of solid waste being disposed (e.g. in landfill) through increased reuse, recycling and waste avoidance practices

- compliance with all relevant environmental laws, regulations and standards of good practice
- the implementation of a structured and systematic process within building management practices to achieve the above and demonstrate an adequate level of environmental due diligence, and
- if specified, the achievement of agreed levels of building environmental performance as demonstrated through building environmental ratings e.g. the National Australian Built Environment Rating System (NABERS) including NABERS Energy, Water, Waste and Indoor Environment, and the Green Building Council of Australia's Green Star rating system.

Tender requirements

All Tenderers are required to provide:

- 1 details of relevant experience – listing projects and briefly describing relevant experience brought to this contact
- 2 a minimum of two written references from current or previous clients where the tenderer undertook a similar provision of service or supply of products
- 3 a copy of the Tenderer's Environmental Policy (or similar)
- 4 a copy of the Tenderer's Environmental Management System (EMS) or similar system that details:
 - how environmental risks are managed within the Tenderer's business activities (not limited to this service or product)
 - the approach to identifying responsibilities for environmental management within the Tenderer's company
 - the nature and extent of environmental awareness and skills training provided to staff and contractors, and
 - measures implemented by the Tenderer to monitor and report on the company's environmental performance
- 5 details of the Tenderer's understanding of sustainability in relation to the environmental performance of buildings, including understanding of the NABERS rating system (including NABERS Energy, Water, Waste and Indoor Environment) and the Green Building Council of Australia's Green Star rating system
- 6 details of the Tenderer's performance in relation to environmental regulations over the last five years including any judgements against the tenderer under any State or Federal environmental legislation
- 7 details of the Tenderer's environmental and sustainability reporting (including corporate responsibility)
- 8 details of the Tenderer's environmental performance and experience with similar buildings/similar products with respect to the key outcome areas noted in this tender, section [XX] Schedule of Environmental Management
- 9 *[optional]* details of the Tenderer's proposed approach to environmental management of the services provided under the proposed contract, specifically an outline Environmental Management Plan (OEMP) for the building or service. The OEMP should be an **overview** only of the approach to be taken to achieve a high level of performance including energy efficiency, water conservation and reuse, waste and recycling management, noise management, indoor air and environment quality, pollution minimisation and, where defined in the contract, the buildings target environmental ratings. The OEMP should include an overview of the allocation of

responsibilities within the Tenderer's team, training of staff, management of subcontractors' environmental performance and project monitoring and progress reporting.

[Note to procurement manager: Requesting an OEMP is helpful if you wish the tenderer to demonstrate their understanding and approach to managing environmental issues. It will depend on the building, controls or management plans in place.]

Note to Tenderer:

The OEMP is to include an **overview** only of the structure and scope of issues to be addressed and the general approach to be taken by the Tenderer to integrate the plan into the Tenderer's building management structure. It is not expected to include significant specific detail on methodology, actions, work instructions, progress reporting etc. Providing a copy of a similar plan for a previous project by the Tenderer would be helpful.

The selected Contractor will be responsible for completing the plan in sufficient detail to enable it to be approved for use by the *[building owner/building manager/managing agent/tenant]* prior to commencement of the contract.

Part B: Contract requirements

Note: This section contains the additional environmental requirements that the successful Tenderer (the Contractor) must comply with during the course of the contract. The information below could be inserted into a preliminaries subsection titled 'Environmental management'.

Detailed Environmental Management Plan (EMP)

The Contractor shall be required to prepare and implement, to the satisfaction of the *[building owner/building manager/managing agent/tenant]*, a detailed Environmental Management Plan (EMP) for the building.

No contract activities, other than those deemed by the *[building owner/building manager/managing agent/tenant]* as not having any environmental consequence, shall commence until the completed EMP is accepted by the *[building owner/building manager/managing agent/tenant]*.

The EMP shall address all environmental performance areas and environmental outcomes described or specified in the contract with particular reference to key performance areas such as environmental ratings or other defined initiatives in energy and water conservation, waste minimisation; indoor air quality, protection of the natural environment, as well as compliance with any relevant or applicable statutory environmental requirements.

The EMP shall also include:

- standard work practices that manage risks in these key performance areas, and
- measures the Contractor will take to monitor, audit and report progress to the *[building owner/building manager/managing agent/tenant]*.

The EMP shall be an integral component of the Contractor's building management system, and progress against it will be regularly reviewed by the *[building owner/building manager/managing agent/tenant]*. (For guidance in the preparation of an Environmental Management Plan and Waste Plan refer to Green Star Office Design version 3 Categories MAN_6 and MAN_7.)

Attachment 1: [XX] Schedule of Environmental Management

[XX] Schedule of Environmental Management

[for inclusion in tender documents]

[Tender no. #####]

[Tender name]

Company information

Company name
and contact details:

1 Relevant experience:

List projects the tenderer has undertaken that demonstrate relevant experience.	Value (\$)
a.	
b.	
c.	
d.	

2 References: provide written references from at least two recent clients demonstrating company environmental commitment and experience.

	Company 1	Company 2	Company 3
Client:			
Contact name:			
Phone number:			

Environmental policy and environmental management:

Attach supporting information as necessary.

3	Tenderer's Environmental Policy	
4	Tenderer's Environmental Management System (EMS) or similar system (see Clause 4 under 'Tender requirements')	
	Describe how responsibilities and accountability are defined within the Tenderer's management system to cover principal areas of environmental risk.	
	Describe environmental awareness and skills training provided to Tenderer's staff and contractors.	

5	Describe the Tenderer's understanding of sustainability in relation to building performance, including the NABERS rating system (NABERS Energy, Water, Waste and Indoor Environment) and the Green Building Council of Australia's Green Star rating system.	
6	Describe the Tenderer's performance in relation to environmental regulations over the last five years including any judgements against the tenderer under any State or Federal environmental legislation.	
7	Describe the Tenderer's environmental monitoring and corporate reporting (e.g sustainability reporting processes).	
8	Describe the Tenderer's environmental performance and experience on similar contracts with respect to the following key outcome areas <i>[list them here]</i> :	
9	<i>[optional]</i> Provide an outline Environmental Management Plan as per the minimum scope detailed in clause 9.	

Service or product supply requirements

Attach supporting information as necessary.

	<i>[Insert specific clauses relating to building management, cleaning or waste management. See Worksheet 5.2B for examples.]</i>	
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Worksheet 5.2B

Environmental criteria for building management, waste and cleaning services

This material is adapted from 'Environmental purchasing checklist – Building management and tenant property services' by the Australian Government Department of the Environment, Water, Heritage and the Arts, www.environment.gov.au/settlements/publications/government/purchasing/building-mgt.html. These specifications apply to all Australian Government tenders for building management services, tenant property services, and waste and cleaning services and can be adapted for your own organisation.

These recommendations are primarily directed at government departments and agencies, but they may also be appropriate for tenders for privately owned buildings. This is an example only – adapt this worksheet to suit your organisation's requirements.

Suggested wording to define sustainability requirements is accompanied by evaluation weightings. **These weightings are indicative only.** Your organisation will need to determine its own weightings based on the relative importance of each category to your organisation. The guidelines do not include advice about how the environmental weightings compare to other tender evaluation criteria such as price, capacity to deliver, experience etc.

Consideration will be given to service providers	Information required from companies	Weighting (total = 100%)
Building management and tenant property services		
... that can demonstrate capacity to improve the environmental performance of buildings.	<p>Document your capacity and previous experience in energy and water efficiency, waste management and green cleaning programs.</p> <p>Details should identify your company's role in each program, i.e. developed innovative programs, initiated tried-and-true programs, implemented program designed by others, participated without major responsibility, etc.</p> <p>Describe challenges your company faced in previous programs and how they were overcome.</p> <p>Identify similarities and differences between buildings previously managed and building covered by this specification, with respect to energy use or other environmental factors.</p>	20–30%

Consideration will be given to service providers	Information required from companies	Weighting (total = 100%)
... that are committed to improving the energy and water efficiency of the building.	Identify how you will meet the Australian Government requirement for conduct of an energy audit within one year of occupation and at least every five years after that. However, to maintain your NABERS ratings, the property needs to be rated every year. Specify how the recommendations of the audits will be evaluated and implemented. Describe your approach to the conduct of water audits.	20–30%
... that are committed to delivering high-level support to waste minimisation and recycling systems.	Describe the types of services that will be provided to promote waste minimisation and recycling for both base building and tenants.	5–15%
.... that are committed to eliminating use of hazardous cleaning products wherever possible.	Document previous activities that focused on use of non-hazardous products. Describe any previous involvement in testing use of non-hazardous cleaning products. Provide a proposed plan of action for a cleaning program based on using low-hazard products wherever possible.	5–15%
.... that use systems that ensure that cleaning methods are efficient.	Document your methods for ensuring that cleaning is carried out to a high quality. For example, show the systems you use to ensure that separated tenancy waste is kept separate from building waste. Describe how your cleaning system and cleaning equipment, including vacuum cleaners, remove dust and debris from the premises. Include your procedures for filter management and efficiency of cleaning machines.	5–15%
.... that are committed to minimising use of toxic pesticides wherever possible.	Document previous activities that focused on use of non-toxic pesticides. Describe any previous involvement in testing use of non-toxic pesticides. Provide a proposed plan of action for a pest prevention program based on using non-toxic pesticides wherever possible.	5–15%
... that agree to comply with and enhance [the organisations]'s energy efficiency program.	Outline your understanding of current [organisation] energy efficiency activities for the facility or building. Describe your understanding of requirements for agencies and departments under the Australian Government Energy Policy. Describe what you would do to build on the existing program.	15–25%

Consideration will be given to service providers	Information required from companies	Weighting (total = 100%)
... that document additional environmental benefits of their services or superior environmental performance.	Provide appropriate documentation.	5–15%
... that can demonstrate a clear understanding of what constitutes good indoor environment quality.	Outline the process your organisation uses for the testing, management and improvement, if required, of indoor environment quality.	20-25%
Waste services		
... that are committed to delivering high-level support to waste minimisation and recycling systems for both base building and tenants.	Describe the types of services that will be provided to promote waste minimisation and recycling. This could include specification of bin types, educational material and monitoring and reporting systems. Document experience in implementing similar commitments elsewhere.	20–25%
... that are committed to recycling the most waste materials.	Specify which materials you will recycle.	20 - 25%
... that are committed to responsible disposal of non-recyclable waste streams.	<p>Provide commitments to responsible disposal of non-recyclable waste streams. For example, you might commit to one or more of the following:</p> <ul style="list-style-type: none"> • Industry codes of best practice will be adhered to. • Waste will only be disposed of in a landfill fitted with a landfill gas collection system to reduce greenhouse gas emissions. • Any hazardous waste will be separately managed using appropriate vehicles and a waste tracking system. • An audited system will be established for reporting disposal arrangements, including landfill receipts. <p>Document experience in implementing similar commitments elsewhere.</p>	20-25%

Consideration will be given to service providers	Information required from companies	Weighting (total = 100%)
... that document additional environmental benefits of their services or superior environmental performance.	Provide appropriate documentation to support any environmental claims made. This should include, where possible: <ul style="list-style-type: none"> • a certified Quality Management System or Environmental Management System (if no companies tendering are certified, specify a date by which certification would need to be obtained). • a demonstrated track record, and • membership of industry associations. 	5–15%
Cleaning services		
... that are committed to eliminating use of hazardous cleaning products wherever possible.	Provide details on other previous or current service contracts that focus on using non-hazardous products. Document procedures used to test non-hazardous cleaning products. Testing may be conducted by third party assessors, including on behalf of manufacturers. Document your procedures for logging and reporting on supplies and use of all cleaning products.	20–25%
...that present a systematic plan for phasing out or minimising use of hazardous cleaning products.	Provide detailed information describing procedures used to comply with relevant State regulations for control of hazardous substances in the workplace, with particular detail on risk assessment, use of the hierarchy of control, training and documentation. Provide details on any penalties or warnings received for violation of regulations related to hazardous substances in the workplace during the past five years. Describe the program you will institute to identify opportunities for eliminating hazardous cleaning chemicals. Describe the program and procedures you will adopt to identify, test and introduce alternative lower risk products. Document the procedures and materials used in training that emphasise minimum use of hazardous substances. Provide details of the documentation and reporting process that will be followed to keep [organisation] informed about progress in implementation of the program.	20-25%
... that are committed to use of products and packaging made from recycled materials.	Provide details on your current and proposed efforts to use products or packaging made from recycled materials.	5–15%

Consideration will be given to service providers	Information required from companies	Weighting (total = 100%)
... that are committed to recycling of waste materials.	Document your existing program for recycling of packaging and other materials. Describe the procedures you will use for recycling of cardboard and other recyclables from this property. Specify how you will ensure that cleaners handle recyclable materials separated by the property's occupants, and will keep recycled materials segregated from general wastes.	10–20%
... that agree to comply with the buildings energy and water efficiency programs.	Document procedures that will be used to ensure that cleaners minimise energy use by switching off lights in unused areas. Document procedures that will be used to ensure that cleaners minimise water use and report leaks	5–15%
... that document additional environmental benefits of their services or superior environmental performance.	Provide appropriate documentation to support any environmental claims made. This should include, where possible: <ul style="list-style-type: none"> • a certified Quality Management System or Environmental Management System (if no companies tendering are certified, specify a date by which certification would need to be obtained). • a demonstrated track record, and • membership of industry associations. 	5–15%
Pest treatment services		
... that are committed to minimising the use of toxic pest treatments wherever possible.	Provide details on other previous or current service contracts that focus on using non- toxic pest treatments. Document procedures used to test non- toxic pest treatments. Testing may be conducted by third party assessors, including on behalf of manufacturers. Document your procedures for logging and reporting on supplies and use of all pest treatment products.	15-20%

Source: Adapted from 'Environmental purchasing checklist – Building management and tenant property services', Australian Government Department of the Environment, Water, Heritage and the Arts, www.environment.gov.au/settlements/publications/government/purchasing/building-mgt.html

Worksheet 5.2C

Environmental evaluation of tenders for building management services and supplies

This is an example only – adapt this worksheet to suit your organisation’s requirements.

Section A: Company information

Company name:			
Type of business:			
Street address:			
Mailing address:			
Principal contact:		Phone:	Email:

Description of work under the Contract

Briefly describe:			
Applicable property:			

Section B: Relevant experience

Rate jobs listed by Tenderer against relevant experience	Job listed by Tenderer		Experience	
			Adequate	Inadequate
1				
2				
3				
4				

Has Tenderer worked on other [client] projects or properties in the last 3 years? If so, are there any concerns that need to be addressed?

--	--	--

Environmental references provided by tenderer

	Company 1	Company 2	Company 3
Type of service provided:			
Client:			
Contact name:			
Phone number:			
Reference followed up (Y/N)			

Section C: Evaluation criteria

	Criteria	Ex ¹	Ad ²	Inad ³	Comments
C1	Company policy and management				
	Policy – Company environment or sustainability policy that clearly identifies the vision, objectives and commitment of the company (keep copy on file).				
	Understanding – Degree to which the Tenderer understands sustainability and building performance, including the NABERS rating system (NABERS Energy, Water, Waste and Indoor Environment) and the Green Building Council of Australia’s Green Star rating system				
	Environmental Management System – EMS or similar system (e.g. QAS) that describes how environmental risks to the company are effectively identified, managed or mitigated.				
	Responsibilities – Are responsibilities and accountability clearly defined within the company’s management system to cover principal areas of environmental risk?				
	Regulatory compliance – Any environmental or workplace penalties or infringements in the last 5 years?				
	Training – Adequacy of environmental awareness and skills training provided to company staff and contractors.				
	Monitoring & reporting – Adequacy of the company’s environmental monitoring and corporate reporting processes.				
	Environmental experience – Capacity to demonstrate previous successful experience in environmental management and project-specific environmental outcomes.				
C2	Environmental management plan (where required)				

¹ Able to demonstrate **excellent** performance – above average capability or experience

² Able to demonstrate an **adequate** performance – acceptable minimum

³ **Inadequate** performance – unable to demonstrate an acceptable minimum performance

Section C: Evaluation criteria

Criteria	Ex ¹	Ad ²	Inad ³	Comments
Environmental management – Adequacy of the outline EMP ⁴ submitted with the tender response. [if an EMP is required in the contract]				
Environmental responsibility – Does outline EMP allocate responsibility and accountability to project staff, including using staff with appropriate skills and experience for the task?				
Environmental training – What commitments does the Tenderer have on environmental training?				
Management of subcontractors – How well does the Tenderer commit to managing subcontractors and major suppliers to achieve the environmental objectives?				
Energy management – Measures the Tenderer will take to minimise energy use.				
Water management – Measures the Tenderer will take to minimise water use.				
Waste and recycling management – Measures the Tenderer will take to minimise waste and optimise recycling.				
Cleaning – Measures the Tenderer will take to ensure cleaning is effective and minimises introduction of hazardous materials.				
Pest treatment – Measures the Tenderer will take to ensure pest treatment is effective and minimises introduction of toxic materials.				
Noise management – Measures the Tenderer will take to minimise noise disruption.				
Air quality management – Measures the Tenderer will take to avoid toxic or nuisance emissions and maintain indoor air quality standards.				
Monitoring – Adequacy of the proposed environmental monitoring procedures.				

⁴ EMP – Environmental Management Plan

Section C: Evaluation criteria

Criteria	Ex ¹	Ad ²	Inad ³	Comments
Reporting – Adequacy of environmental performance reporting procedures or commitment.				
Other environmental capabilities or experience offered by Tenderer.				

Assessor's name:

Phone:

Comment:

(Brief comment on whether the Tenderer has demonstrated sufficient experience, capability and commitment to meet expectations and requirements.)

Contract commitments

(Note if award of a contract or pre-registration should be conditional on Tenderer committing to an action, deliverable or outcome or providing further evidence of capability in a particular area before contract commences.)

Recommendation:

(Yes/No – to whether the Tenderer should be considered for the contract, or pre-qualification registration, based on sustainability criteria).

Assessor's signature:

Date: