Sustainability Criteria, Clauses and Metrics in Procurement

Guide

NSW GOVERNMENT

SSROC

Procurement for Sustainability

Fair Work Conditions

Reduce Carbon

Value For Money

Design For Reuse

Reduce Consumption

Project delivered in July 2021 for: Southern Sydney Regional Organisation of Councils (SSROC) - PO Box 176, Campsie, NSW 2194, AUSTRALIA

This project is a NSW Environment Protection Authority Waste Less, Recycle More initiative funded from the waste levy.

Project delivered by: Edge Environment - Level 5, 39 East Esplanade, Manly, NSW 2095, AUSTRALIA

The Edge Environment project team would like to thank the local council procurement, legal, sustainability and waste teams who participated in the interviews and provided valuable insights into current sustainable procurement practices. Your time and effort are appreciated.

EDGE

Revision	Revision details	Author	Approved by	Date approved
0.1–0.9	Draft report	Tanya Harris		
V 1.1	Report review	Annie Walker, Cathy Dizon		
V 1.2	Update report	Nicole Thompson		
V 1.3	Quality review	Alarna Twight	Nicole Thompson	17.05.21
V 1.4	Updated based on SSROC feedback	Tanya Harris	Nicole Thompson	17.05.21
V 1.5	Updated based on SSROC feedback	Tanya Harris	Nicole Thompson	19.05.21
V1.6	Updated based on SSROC feedback	Nicole Thompson	SSROC	23.06.21

Executive Summary

Sustainable procurement is now globally recognised as a strategic lever to reduce risk and have a positive impact. Council procurement wields enormous purchasing power and, as the cornerstone of strategic local government governance, it can contribute to achieving policy goals in environmental protection, innovation and job creation, as well as the development of small and medium-sized enterprises seeking sustainable and inclusive growth.

The procurement of goods, services and materials by NSW councils is governed by the NSW Local Government Act 1993, NSW Local Government (General) Regulation 2005 and the Tendering Guidelines for NSW Local Government. In Section 8A, the Act clearly refers to councils' duty to "consider the long term and cumulative effects of actions on future generations and the principles of ecologically sustainable development" in decision making.

All councils are required to apply good governance and ensure that their procurement processes seek to achieve "value for money" outcomes. Value for money means selection of the most optimum combination of life-cycle costs and benefits which meets the need of the procurement. Achieving value for money demands a comprehensive evaluation and must consider the relevant financial and non-financial costs and benefits, for example quality, fitness for purpose, environmental and social sustainability and whole of life costs.

Sustainable procurement will help councils to achieve long term, value for money and enable council spending to not only reduce adverse social, environmental and economic impacts but to achieve positive outcomes aligned to council sustainability commitments and goals.

This document (referred to as the Guide) is designed to help SSROC councils develop consistent, ISO20400-aligned methodology to use in procurement. It aims to build on the processes already in place across SSROC councils to accelerate the transition to a circular economy and the shift towards more sustainable patterns of consumption and production.

It includes non-technical sustainability criteria, assessment guidance and examples of clauses, technical requirements, evaluation criteria and key performance metrics for selected categories.

Specific category guidelines that provide a comprehensive set of requirements, criteria, specifications, minimum standards, relevant certifications, methodologies, tools and training is recommended to support SSROC member councils to implement sustainable outcomes.

Additional opportunities to embed sustainability within SSROC member councils and the procurement process are addressed in the accompanying 'Integrating Sustainability Recommendations' report.

How to use this guide

This guide is intended to provide a 'shopping list' of example sustainability criteria, specifications and/or clauses that you can copy and paste for use in your own procurement documentation by following these steps:

A. At the start of each procurement identify if there are areas of high sustainability risks and opportunities for the type (or category) of procurement you are doing and what your sustainability objectives are (i.e. carbon reduction, waste diversion, packaging, circular economy etc). Assessing risks and opportunities is outlined in more detail in the accompanying document Integrating Sustainability Recommendations' report (section 2.2).

B. Review your own Council's request for quote or tender documents to see what sustainability criteria or clauses they already include (to avoid duplication).

C. Decide which category of procurement detailed in this Guide is most relevant to your procurement (categories covered in this guide include General procurement, Construction Works and Facilities Management).

D. Review Table 2 below to find the relevant section and click on the link to go to your required table.

E. Select the most relevant supplier questions or clauses for your procurement (you may need to tailor these to suit the size of the project, maturity of the market and sustainability risks or opportunities).

F. Once your procurement criteria and clauses have been confirmed, go to section 7 Evaluation Methodology for guidance when developing your evaluation criteria.

G. Sustainability criteria and clauses automatically lead to performance indicators and metrics. This information is collected and measured so you can assess if your sustainability objectives have been met. See section 4 of 'Integrating Sustainability Recommendations' report for more information on measuring and reporting.

Table 1: Document navigation

Description	Includes	Where to find in this Guide
General Procurement	Table 1: Non-technical sustainability criteria	Section 4.1, page(s) 10-18
	Table 2: Non-technical sustainability clauses	Section 4.2, page(s) 19-20
Construction Works	Table 3: Technical sustainability criteria	Section 5.1, page(s) 21-26
	Table 4: Technical sustainability clauses	Section 5.2, page(s) 27-31
	Table 5: Optional material-specific performance standards, clauses and controls	Section 5.3, pages(s) 31-33
Facilities Management	Table 6: Facilities Management specifications	Section 6.1, page(s) 34-37
	Table 7: Facilities Management clauses	Section 6.2, page(s) 37
Waste contracts	Table 8: Waste collection specifications	Section 7, page(s) 38-39
	Table 9: Waste contracts performance indicators/metrics	Section 7, page(s) 40-41
Evaluation Methodology	Table 10: Standard sustainability evaluation	Section 8.1, page(s) 42-43
	Evaluation of embodied carbon in Construction Works	Section, 8.2, page(s) 43-44
	Evaluation of waste reduction in Construction Works	Section 8.4, page(s) 44-45
	Table 11: Evaluation criteria for Facilities Management	Section 8.5, page(s) 45-47
	Table 12: Evaluation for Waste Service Providers (WSP)	Section 8.6, page(s) 47

Contents

1 Why sustainable procurement for councils?

Sustainable procurement is now globally recognised as a strategic lever to reduce risk and have a positive impact. Council procurement wields enormous purchasing power and, as the cornerstone of strategic local government governance, it can contribute to achieving policy goals in environmental protection, innovation and job creation, as well as the development of small- and medium-sized enterprises seeking sustainable and inclusive growth.

The procurement of goods, services and materials by NSW councils is governed by the NSW Local Government Act 1993, NSW Local Government (General) Regulation 2005 and the Tendering Guidelines for NSW Local Government. In Section 8A, the Act clearly refers to councils' duty to "consider the long term and cumulative effects of actions on future generations and the principles of ecologically sustainable development" in decision making. For more information on the legislation that council must consider see page 8 of Local Government NSW's Sustainable Procurement Guide.

All councils are required to apply good governance and ensure that their procurement processes seek to achieve "value for money" outcomes. Value for money means selection of the most optimum combination of life-cycle costs and benefits which meets the need of the procurement. Achieving value for money demands a comprehensive evaluation and must consider the relevant financial and non-financial costs and benefits, for example quality, fitness for purpose, environmental and social sustainability and whole of life costs.

Sustainable procurement will help councils to achieve long term, value for money and enable council spending to not only reduce adverse social, environmental, and economic impacts but to achieve positive outcomes aligned to council sustainability commitments and goals.

2 Integrating sustainability into procurement

This document (referred to as the Guide) is designed to help SSROC councils develop consistent, ISO20400-aligned methodology to use in procurement. It aims to build on the processes already in place across SSROC councils to accelerate the transition to a circular economy and the shift towards more sustainable patterns of consumption and production.

The procurement process can be an important tool to achieve sustainable outcomes. To integrate sustainability into procurement, participants should use a combination of strategy, policy, communicated targets and goals, as set out in *Sustainable Procurement Guidance AS ISO20400:2018* to set objectives and track ongoing progress.

By embedding this leading approach to sustainable procurement, SSROC member councils will generate benefits to staff, economies and communities.

2.1 STEP 1: Establish key sustainability priorities for each procurement

It is not practical to ask suppliers about every aspect of sustainability; instead, at the start of each procurement, it is important for councils to identify the areas of high environmental risk or priority issues.

Sustainability issues can occur as hotspots throughout the life of the product or service, including in the supply chain, in the product itself, in the operations of the business or at a product's end of life. Some key issues for council procurement include:

• Materials with embodied carbon • Transportation emissions • Scope 1 and 2 emissions[i] • Natural resource usage (water, raw materials) • Product long term maintenance, repairability and replacement of parts	• Construction waste • Packaging waste • Food waste • Plastic waste[ii] • E-waste • Textile waste

Once these priorities are identified, council needs to establish the criteria and specifications for suppliers to meet (keeping in mind the procurement need and market capability). Figure 1, on the next page, is an example of cornerstone circular procurement priorities and strategies by which to achieve them.

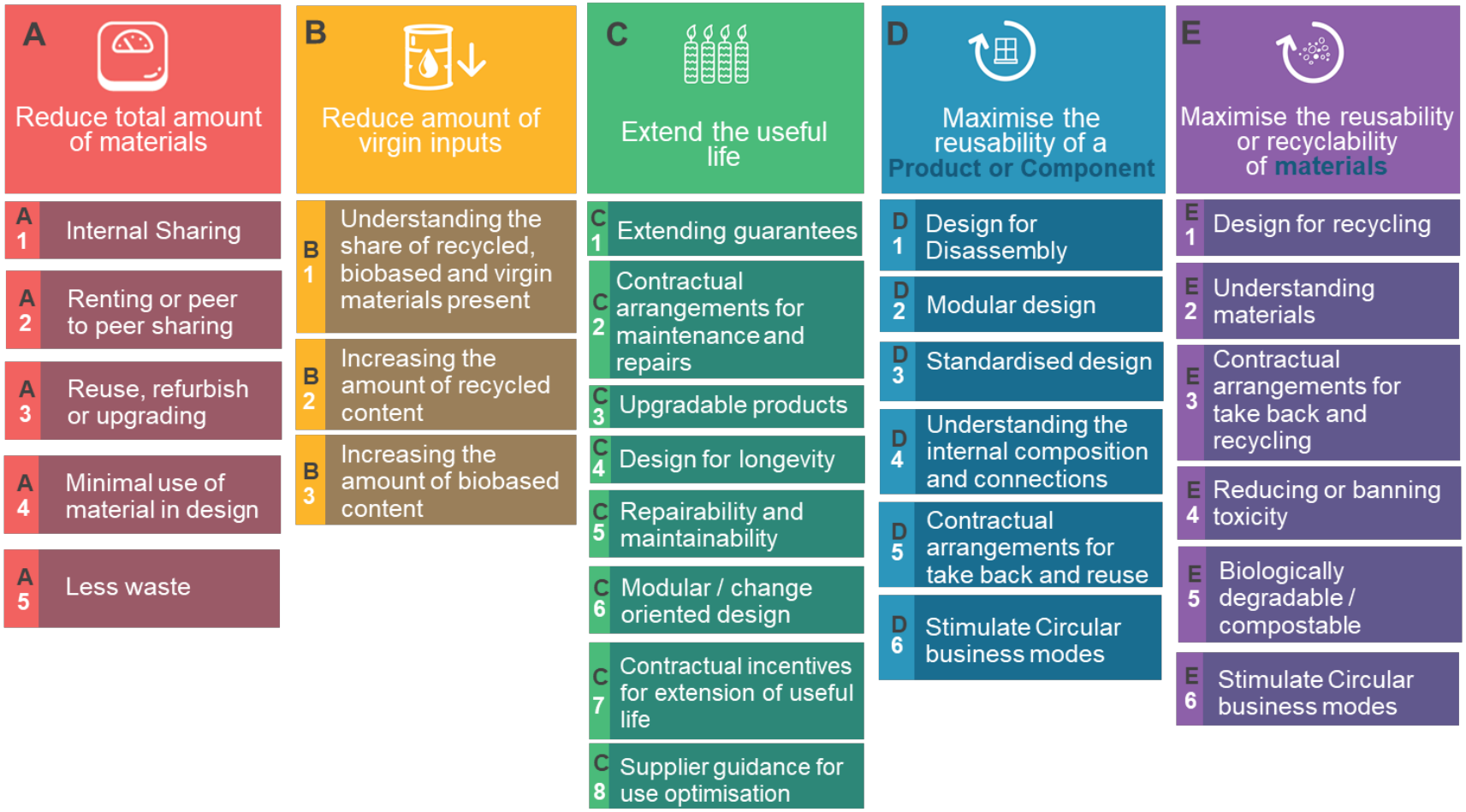


Figure 1: Circular Ambition Chart. Adapted from "Getting Started" by *Circular Flanders*, a website of the Flemish Government: https://aankopen.vlaanderen-circulair.be/en/getting-started/the-ambition-map © 2021 Aankopen Vlaanderen Circular

Further resources:

- For detailed guidance on how to prioritise sustainability issues see the accompanying 'Integrating Sustainability Recommendations' Report.
- For further information on the key sustainability issues (carbon and circular economy) see Appendix A: Key Sustainability Issues.
- See Waverly Council's Sustainable Procurement Heat Map - Assessment tool - Final 2019 for a strong example of how to assess risk and opportunities and prioritise key issues.

2.2 STEP 2: Embedding sustainability criteria, specifications, clauses in procurement process

This Guide provide examples of sustainability criteria, specifications and clauses that can be included in procurement documents such as scoping documents, expression of interest, request for quotation or tenders. Not all of these criteria will apply to all types of procurement. Instead, use this Guide as a 'shopping list' of items that can be selected, dependent on the sector, category and value of the procurement.

2.3 STEP 3: Evaluate responses to sustainability criteria

Any specified sustainability criteria should be included in the tender evaluation process. To ensure consistent, high-quality assessment scoring within a common framework, evaluation criteria should use mandatory sustainability weightings that are contextual and relevant to the individual procurement and business objective. This Guide provides advice in section 7 on evaluating different criteria and what good practice looks like.

3 How to use this guide

This guide is intended to provide a shopping list of example sustainability criteria, specifications and/or clauses that you can copy & paste for use in your own procurement documentation by following these 5 steps:

A. At the start of each procurement identify if there are areas of high sustainability risks and opportunities for the type (or category) of procurement you are doing and what your sustainability objectives are (i.e. carbon reduction, waste diversion, packaging, circular economy etc). Assessing risks and opportunities is outlined in more detail in the accompanying document Integrating Sustainability Recommendations' report (section 2.2).

B. Review your own Council's request for quote or tender documents to see what sustainability criteria or clauses they already include (to avoid duplication).

C. Decide which category of procurement detailed in this Guide is most relevant to your procurement (categories covered in this guide include General procurement, Construction Works and Facilities Management).

D. Review Table 2 below to find the relevant section and click on the link to go to your required table.

E. Select the most relevant supplier questions or clauses for your procurement (you may need to tailor these to suit the size of the project, maturity of the market and sustainability risks or opportunities).

F. Once your procurement criteria and clauses have been confirmed, go to section 7 Evaluation Methodology for guidance when developing your evaluation criteria.

G. Sustainability criteria and clauses automatically lead to performance indicators and metrics. This information is collected and measured so you can assess if your sustainability objectives have been met. See section 4 of 'Integrating Sustainability Recommendations' report for more information on measuring and reporting.

Table 2: Document navigation

Description	Includes	Where to find in this Guide
General Procurement	Table 1: Non-technical sustainability criteria	Section 4.1, page(s) 10-18
	Table 2: Non-technical sustainability clauses	Section 4.2, page(s) 19-20
Construction Works	Table 3: Technical sustainability criteria	Section 5.1, page(s) 21-26
	Table 4: Technical sustainability clauses	Section 5.2, page(s) 27-31
	Table 5: Optional material-specific performance standards, clauses and controls	Section 5.3, pages(s) 31-33
Facilities Management	Table 6: Facilities Management specifications	Section 6.1, page(s) 34-37
	Table 7: Facilities Management clauses	Section 6.2, page(s) 37
Waste contracts	Table 8: Waste collection specifications	Section 7, page(s) 38-39
	Table 9: Waste contracts performance indicators/metrics	Section 7, page(s) 40-41
Evaluation Methodology	Table 10: Standard sustainability evaluation	Section 8.1, page(s) 42-43
	Evaluation of embodied carbon in Construction Works	Section, 8.2, page(s) 43-44
	Evaluation of waste reduction in Construction Works	Section 8.4, page(s) 44-45
	Table 11: Evaluation criteria for Facilities Management	Section 8.5, page(s) 45-47
	Table 12: Evaluation for Waste Service Providers (WSP)	Section 8.6, page(s) 47

Sections 3 to 5 of this Guide are focused on the top procurement categories of council annual spend reported during interviews conducted in March and April 2021 – General, Construction Works and Facilities Management – with each category offering examples of sustainability criteria, specifications and/or clauses. Section 6 of this guide contains evaluation techniques for council. Each section is colour-coded to assist with navigation.

Additional opportunities to embed sustainability within SSROC member councils and the procurement process are addressed in the accompanying 'Integrating Sustainability Recommendations' report.

3.1 Explanation of sustainable procurement terms used in this document:

Tender documentation

Tender or quotation documents are formal, written documents that include the scope of works, criteria, schedule of rates, contract terms and conditions used for procuring goods and services by councils. In this Guide the term tender documents is mostly used but the examples provided could also be applied to request for quotation documents. Tender documentation must establish expectations by clearly stating the sustainability elements and mandatory selection criteria (across environmental, social, economic and governance). This embeds sustainability in all aspects of the engagement and enables future measurement of impacts and outcomes.

Specifications

Sustainability specifications are the specific and relevant minimum criteria that can be included in the:

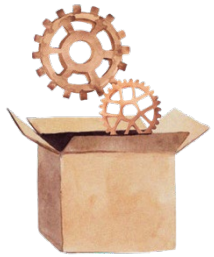
- Purpose or scope,
- Product or design requirements,
- Technical criteria and standards,
- Functionality specifications, and
- Ongoing support and/or maintenance conditions.

Specifications (listed as a sub-set of documents) are usually written by subject matter expert(s) who are responsible for overseeing the project's implementation and management of the good/service over the lifetime of the contract/asset and may or may not have sustainability knowledge.

Contract clauses

Many of the impacts or gains from sustainable procurement can often only be realised if they are reflected in the way a contract is performed and managed. In each contract, define clear performance measures linked to sustainability requirements, including ongoing supplier reporting against set objectives. This is essential to be able to track and measure impact and achievements over time.

4 General Procurement



This section provides examples of non-technical sustainability text that can be included in sections of tender or quotation documents.

4.1 Non-technical sustainability criteria

Inclusion of non-technical sustainability requirements and evaluation criteria should be proportional to the risk and value of the procurement. For example, for a high-value construction project that has been assessed to have a high carbon and waste impact, council should request, at a minimum, that tenderers detail their organisational polices, systems and standards that demonstrate commitment and experience in managing these risks. Table 1, below, details examples that can be included in tender documentation and requests for quotation.

A supplier may not have non-technical policies, procedures, statements and systems that are not required by law; a small medium enterprise may not have a human rights or conflict of interest policy in place for example. Non-technical criteria documentation is not an automatic pass or fail, the outcome is an evidenced-based assessment of risks, strengths and weaknesses which identifies the focus areas for improvement relevant to the procurement activity and sustainability priorities. Actions to address improvement focus areas can include:

- Contract clauses to specifically address identified improvement areas,
- Agreed improvement plan on actions to be undertaken over a specific time which is included in the contract and/or project obligations and an important element of a supplier capacity building/relationship management approach. If the actions are not taken in the timeframe, there are grounds to formally issue notice and/or terminate the agreement, and
- For risks that are not material, entry into the risk register and monitoring over the term of the relationship.

Table 1:

What should be included?	Means of evaluation
Conditions of response/Instructions to tenderers	
Council applies mandatory weightings to sustainability criteria across environmental, social and governance. Tenderers are required to provide evidence of compliance with social and/or environmental standards, evidence that they have adopted an environmental management system or a supply chain management and tracking system for verification during the award process.	• Copies of relevant policies, procedures and statements of commitment. • Monitoring schedules and reports.
Suppliers in breach of environmental or social laws, or, not complying with certain environmental or social standards (such as International Labour Organisation [ILO] core conventions), will be excluded from the procurement process.	• Supplier self-assessment questionnaire. • Desk based internet research. • Risk management platform.
General organisational performance	

What should be included?	Means of evaluation
Does your organisation have certification against any international standard: a) ISO 9001 Quality Management, b) ISO14001 Environmental Management, c) SA8000 Labour standards, d) ISO50001 Energy Management, e) ISO31000 Risk Management, f) ISO22000 Food Safety, g) International Labour Organisation (ILO)). h) If not certified, are records of inspections and compliance maintained? Note: Not all ISO standards will be relevant for every category or procurement activity. This list is not exhaustive.	• Certificates. • Copies of inspection and compliance records.
Does your organisation have Policies or Statement(s) of Commitment related to governance and business ethics: a) Code of Conduct, b) Conflict of Interest Policy, c) Whistleblowing Policy, d) Governance and Ethics Policy, e) Any other policies, guidelines or procedures regarding business practices and expected standards of behaviour. Note: These policies are minimum practice for tier one and two suppliers, however, may not be possible for smaller business.	• Copies of relevant policies, procedures and statements of commitment. • Monitoring schedules and reports.
Does your organisation have Policies or Statement(s) of Commitment related to (sustainable) procurement and supply chain management: a) Procurement policy and procedures, b) Due diligence processes, c) Standard contract template(s), d) Supply chain and/or sub-contractor management processes, e) Contract and performance management process, f) Any other policies, guidelines or procedures regarding procurement and supply chain management and expected standards of behaviour. Note: These policies are minimum practice for tier one and two suppliers, however, may not be possible for smaller business.	• Procurement policy, procedure or manual. • Key evaluation criteria. • Due diligence process and/or examples. • Supplier capacity/training examples. • Current agreement templates. • Contract and performance management process.

What should be included?	Means of evaluation
Does your organisation have Policies or Statement(s) of Commitment related to social and community engagement: a) Labour, Recruitment, Equal Opportunities, Anti-discrimination policies, b) Human Rights Policy, c) Gender, Equity and Diversity policies, d) Local Small Medium Enterprise, First Nation Suppliers or Social Enterprise policies, e) Any other policies, guidelines or procedures regarding social and community engagement practices and expected standards of behaviour. Note: These policies are minimum practice for tier one and two suppliers, however, may not be possible for smaller business.	• Copies of relevant policies, procedures and statements of commitment.
Does your organisation have Policies or Statement(s) of Commitment related to sustainability and/or environmental management: a) Sustainability Policy, b) Environment Policy and/or management plan, c) Single Use Plastic Policy, d) Waste Management Policy, e) Energy Efficiency Policy, f) Natural Resource Usage Policy, g) Emissions Reduction Policy, h) Smart Product Design Policy, i) Carbon Offset Policy, j) Any other policies, guidelines or procedures regarding sustainability and environmental management practices and expected standards of behaviour.	• Copies of relevant policies, procedures and statements of commitment. • Verification of relevant certifications (e.g., Climate Active, Green Star, NABERS).
Does your organisation produce annual reports against any industry or international voluntary or required frameworks (e.g., GRI, CDP, TCFD).	• Copies of reports.
Has your organisation had an independent third-party audit which includes governance, labour and/or environmental standards in the past 2 years?	• Copies of audits and corrective action plan(s) (CAP).
Has your organisation been prosecuted for environmental or social breaches or recorded a notifiable incident from a regulator in the past 2 years?	• Copy of incident register. • Copy of risk register.

What should be included?	Means of evaluation
Has your organisation received client testimonials or references or awards relating to your sustainability performance in the last 2+ years?	• Copies of references and awards.
Carbon and emissions reduction	
Does your organisation have a formalised environmental policy in relation to energy consumption and GHGs (e.g., management/reduction of energy and fuel consumption, CO_2 emissions)?	• Copies of policies or reports.
Does your company track energy consumption (including purchased electricity)? Does your organisation calculate its emissions? If yes, please provide metrics, for example: Organisational scope 1, 2 or 3 emissions or emissions per $ revenue.	• Copies of reporting.
Does your organisation calculate product emissions? If so, please provide metrics.	• Copies of reporting or evidence of calculations, Product Environmental Footprints (PEFs) or Environmental Product Declarations (EPDs).
Generic product information	
How does the product demonstrate circular economy principles (where the source and type of materials, the manufacturing and distribution are all designed to keep materials in use and design out waste and pollution)?	Evidence provided, verified independently or published externally.
Does the product contain recycled content sourced from Australia (recycled feedstock is generated from Australia, and state if it is pre- or post-consumer recycled content? If yes, please provide details.	%, type of recycled content and the location it is sourced from.
Is the product made from virgin inputs? If yes, are there inputs from renewable feedstocks, where proven to be environmentally beneficial, and, where relevant, are sourced from regenerative sources?	Evidence provided, verified independently or published externally.
Is the product manufactured, distributed, sorted and/or recycled using renewable energy?	Evidence provided, verified independently or published externally.
Does the production process maximise resource efficiency (water, energy, material use etc.)?	Evidence provided, verified independently or published externally.
Product lifespan	

What should be included?	Means of evaluation
Is your product designed and manufactured to be durable, repaired or refurbished to extend your product's lifespan? (e.g. ease of finding spare parts, access to tools required to replace components, able to be repaired or refurbished safely)	Evidence provided, verified independently or published externally.
Does your business model enable extending your product's lifespan (e.g. your organisation and/or network can provide maintenance, repair, reuse, rental or subscription model, or refurbishment options at scale)?	Evidence provided, verified independently or published externally.
How high is the potential for your product to be recycled after use? e.g. does technology exist to recycle your product or the materials comprising your product? Can materials comprising your product be dismantled easily? Are there recycling services readily available in Australia to recycle these materials? Please provide evidence.	• High • Medium • Low
Do you provide a system to collect or receive your product for reuse, repurpose, refurbishment, remanufacturing or recycling? Please detail any costs associated with supplying this service.	Evidence provided, verified independently or published externally.
Hazardous chemicals	
Is the product free from hazardous chemicals?	Evidence provided, verified independently or published externally.
Does the product design limit and ultimately eliminate the use of hazardous chemicals and/or ensure the non-toxicity of components, which can hinder high-quality recycling?	Hazardous chemical content.
Does the production process (including chemicals used during manufacturing and finishing processes) include consumption of finite, non-renewable resources?	Evidence provided, verified independently or published externally.
Packaging design and end-of-use management	
Is the product packaging made from any reusable, recyclable or compostable materials?	% and type of content.
Does the product packaging include materials, components or formats that: a) Are not reusable, recyclable or compostable? b) Can be avoided altogether? c) Hinder or disrupt recycling? d) Have a high likelihood of being littered? or e) Contain hazardous chemicals?	Evidence provided, verified independently or published externally.

What should be included?	Means of evaluation
Can single-use packaging be replaced with reusable formats, i.e., refillable or returnable, or an alternative delivery model?	Evidence provided, verified independently or published externally.
Is the product packaging or plastic 100% recyclable or compostable, meaning can they be effectively recycled or composted in practice and at scale?	% and type of content.
Are you currently engaging with suppliers on waste and doing due diligence on their packaging?	Documented evidence of engagement or supplier contacts.
Do you have formal targets to reduce packaging?	Documented evidence.
Uniforms	
Do your uniforms include recycled content? Preference will be given to products that avoid virgin plastic where feasible.	% and type of content.
Can you provide uniforms with fibres that are able to be recovered at end of life for recycling?	Yes/No response supported by documented evidence.
Are your uniforms designed to be durable and easy to repair? Outline any repair or recycling schemes you have in place for your uniform and footwear products?	Yes/No response supported by documented evidence.
Signage	
Avoid the use of dates on signage to enable multi-year reuse. Preference will be given to more general branded signage that promotes reusability and is able to be recovered at end of life for recycling.	Supplier agreement to be signed
Modern slavery	
Has your organisation assessed the risks relating to modern slavery in its operations and supply chains? These risks may relate to geography, labour, services, resources or materials. Please provide evidence.	Evidence of understanding of risk.

What should be included?	Means of evaluation
	If large organisation (revenue over $100mil) supplier to demonstrate knowledge of operational and supply chain risks of modern slavery in a Modern Slavery Statement (as per *Modern Slavery Act 2018)*. Smaller organisations may not have published a Statement and have less governance in place (depending on sector)
Do employees of your organisation have the right to join or form trade unions of their own choosing, and to bargain collectively, without prior authorisation from your management according to national law?	Yes/No response. Requires evidence of third-party audits, sharing copies can be included in contract on an annual/bi-annual basis.
What percentage of your workforce would be classified as migrant labour?	This question provides indication of risk, governance and knowledge of labour workforce.
Does your organisation provide every worker at all sites and facilities with written information about their employment conditions, including wages, hours and holidays, before they enter into employment?	Yes/No response. Requires evidence of third-party audits, sharing copies can be included in contract on an annual/bi-annual basis.
Does your organisation outsource some or all of your recruitment and labour hire?	Low risk if: • Supplier directly recruits, selects and hires all workers (full time, part time, temporary and seasonal) and • Contracts of employment in place with all workers and copies of the workers' contracts are readily available. • Or supplier monitors third-party labour providers or subcontractors and ask them to provide evidence of no recruitment fees.
What degree of visibility or control do you have over your suppliers' sub-contractors or third-party organisations?	This question provides indication of risk.

What should be included?	Means of evaluation
	• High visibility: evidence of signed contracts, verified audits or reports, site visit records, third party organisations goods/services/materials country of origin mapping. • Medium visibility: supplier contract templates, verified audits or reports, copies of policies, some third-party organisation goods/services/materials geographic mapping. • Low visibility: none of the above.
How does your organisation engage with your suppliers on human rights and modern slavery issues?	Optional question encouraging supply chain engagement
Do you hold any certifications that address social risk, human rights or modern slavery?	Optional question to gather information, indication of risk mitigation, requires evidence of certification.
Does your organisation have a grievance mechanism or a way for workers and suppliers to make complaints or raise concerns?	Requires evidence. Mandatory question for high risk supplier/contractor. Indication of mitigation action and risk. Best practice is anonymous reporting hotline and whistle blower policy (ideally tailored for modern slavery).
Does your organisation have a formal process in place for regular auditing, or a regular assurance process for your organisation's high-risk operations or direct suppliers in relation to human rights or labour rights?	Requires evidence. Mandatory question for high risk supplier/contractor. Indication of mitigation action and risk.

4.2 Non-technical sustainability clauses

The following table details clauses that can be included in tender, request for quote, or contract documents for any general procurement.

Table 2:

Focus area	Example wording
Compliance with social and environmental laws and international norms of behaviour	[Supplier] represents and warrants that it conducts its business based on a set of values and guidelines for action and behaviour regarding people (including, without limitation, clients, employees, communities) and the environment; and that these values and guidelines are consistent with the fundamental principles (collectively, the "Principles") outlined in: a) The International Labour Organization's International Labour Standards. b) The OECD Guidelines for Multinational Enterprises. c) The Universal Declaration of Human Rights. d) The United Nations Global Compact.
	[Supplier] represents and warrants that it: (a) Has adopted a written policy that sets out its values and guidelines for action and behaviour regarding people (including, without limitation, clients, employees, communities) and the environment and such values and guidelines are consistent with the Principles. And/or (b) Conducts its business in a manner that is consistent with the Principles.
	[Supplier] represents and warrants that the supplier is in [material] compliance with, and requires its subcontractors and any person under its [Control/control] to [materially] comply with, all applicable state, national, and international laws, rules and regulations relating to ethical and responsible standards of behaviour, including, without limitation, those dealing with human rights (including, without limitation, human trafficking and slavery and conflict mineral sourcing), environmental protection, sustainable development and bribery and corruption, including any legislation or regulation implementing the Principles (the "Rules"). [Supplier] has adopted and implemented appropriate and effective policies to ensure compliance with these Rules, including: (a) The implementation of due diligence and data collection procedures reasonably designed to monitor compliance with the Rules. (b) The establishment of internal review and accountability structures to oversee internal compliance with the Rules. (c) The coordination of [ongoing/annual/[TIME]] training and instruction for its employees [[and offering training and instruction to its/,] suppliers and subcontractors] regarding compliance with the Rules. (d) The requirement that its subcontractors certify their compliance with the Rules; and (e) The implementation of regular subcontractor audits, either directly or through a third-party auditor, to monitor compliance efforts.
Right to inspect	If [Council] reasonably believes the [Supplier] to be in violation of applicable Human Rights and/or Environmental Laws, then (a) [Council] shall have the right, from time to time, and upon not less than five (5) days' written notice to [Supplier], except in the case of an emergency in which event no notice shall be required, to conduct an inspection.

Focus area	Example wording
	(b) Failure to conduct an inspection or to detect unfavourable conditions if such inspection is conducted shall not be a release of any liability for conditions subsequently determined to be associated with or to have occurred. [Supplier] shall remain liable for any condition related to or having occurred. The obligations set forth in this Section shall survive the expiration or earlier termination of the Contract.

v

5 Construction Works

Australia's construction sector represents approximately 5-10%[iii] of national greenhouse gas emissions. The embodied carbon of the materials used represents 30–50 million tonnes of carbon dioxide equivalent per year. In a typical Australian construction project, nearly 90% of the carbon impacts are related to 10 materials. Figure 2 ranks the top 10 materials by their impact.

1. Concrete	2. Steel (structural and reinforcement)
3. Glass and glazing (internal and external, including framing)	4. Façade (materials and cladding)
5. Masonry (brickwork and blockwork)	6. Plasterboard
7. Roof tiles	8. Ceramics
9. PVC pipes and conduits	10. Marble and stone (including grout)

Figure 2: **The top 10 building materials for embodied carbon. Reprinted from Edge Environment.**

There is significant opportunity within the construction category to create a positive impact via material selection, energy and waste management.

5.1 Technical sustainability criteria

Inclusion of technical sustainability criteria for the construction industry should be proportional to the risk and value of the procurement. For example, for a high-value construction project that has a high carbon and waste impact, council should request, at a minimum, that tenderers detail their organisations' policies and standards that demonstrate commitment and experience in managing these risks along with management plans tailored to the project.

Table 3:

Focus area	What should be included?	Means of evaluation	Example of good practice
Greenhouse gas emissions	Does your organisation currently measure and report corporate greenhouse gas emissions? Or is your organisation compliant with the requirements of the National Greenhouse Gas and Energy Reporting System (NGERs)? If so, are scopes 1, 2 and 3 included?	• Reports including corporate emissions.	• Publicly reporting on greenhouse gas emission profile on an annual basis.

Focus area	What should be included?	Means of evaluation	Example of good practice
	Provide the estimated electricity consumption, fuel consumption, and the mix for each significant concrete mix intended for use for this project.	• Demonstrated calculations or previous projects.	• Evidence of calculations used or based on previous bill of quantities.
	Does the supplier have the plans, skills, systems and experience to reduce greenhouse gas emissions in the following areas? a) Stationary energy e.g., energy for site offices. b) Operational energy e.g., energy required for plant, equipment, and transport (including transport of materials and waste). c) Embodied emissions e.g., materials such as concrete and steel.	• Capability statements. • Qualifications. • Previous project experience. • Systems.	• Greenhouse gas emission reduction plans or similar in place, carbon neutral or product certifications, carbon reporting/accounting systems, previous construction project experience calculating greenhouse gas emission footprints.
Transport	What % of aggregates will be sourced locally? Note: using locally sourced aggregates will translate in 11t CO_2 eq abated per km of road (1 lane).	• Commitment to local supplier.	• Bill of quantities or similar that indicates geographic location or business partnership with local supplier.
	What % of materials are transported locally, by sea, overland transport or by air? Note: consider setting a limit to the tonnes per km transported. Tonnes/km measures the total amount of weight transported; setting a limit incentivises construction contractors to source heavy materials locally or closer to the site, reducing total carbon emissions.	• Commitment to % sourced by lower carbon options.	• Bill of quantities or similar providing evidence of sourcing location and transportation method.
	What % of concrete will be precast/preference given to high % of precast over in-situ concrete. a) For 1m^3 concrete, precasting can lead to 10% reduction of carbon emission.	• Commitment to % or lower carbon materials.	• Bill of quantities or similar providing evidence of % used.

<table>
<tr><th>Focus area</th><th>What should be included?</th><th>Means of evaluation</th><th>Example of good practice</th></tr>
<tr><td></td><td>b) Adoption of precast façade can reduce 2.1kg CO_2 eq per m^2 floor area.</td><td></td><td></td></tr>
<tr><td>Roads</td><td>What materials will be used and what % will be replaced with lower carbon materials? For example:
a) Replacing standard concrete with 30% supplementary cementing materials will translate to 70t CO_2 eq abated per km of road (1 lane).
b) Replacing standard asphalt with 30% RAP asphalt will translate to 5t CO_2 eq abated per km of road (1 lane).
c) Replacing standard concrete with 30% carbon neutral concrete will translate to 98t CO_2 eq abated per km of road (1 lane).
d) Using recycled crushed glass as a replacement for sand in asphalt, pavements, for pipe bedding and as transition media for bio retention systems; can significantly reduce greenhouse gas emissions and increase the use of recycled resources.
e) Non-structural concrete can use recycled plastic fibre instead of steel reinforcement e.g., e-mesh.
f) Asphalt mixes can include RAP, toner, plastic, recycled glass, depending on type.</td><td>• Commitment to % or lower carbon materials.</td><td>• Bill of quantities or similar.</td></tr>
<tr><td rowspan="2">Sustainable materials</td><td>Do any of your product(s) have an Environmental Product Declaration (EPD)?
Note: EPDs are common for construction as a way of providing verified product evidence. For more information refer to section 7.3.</td><td>• Copies of relevant certificates.</td><td>• EPDs that are in line with the ISO standard and are currently valid.</td></tr>
<tr><td>Please complete the table below noting the % Australian sourced recycled content, sourcing location and carbon offset in materials.
<table>
<tr><th>Materials</th><th>Supplier</th><th>% recycled content</th><th>% carbon offset</th><th>Location sourced (AUS/imported) list supplier & location</th></tr>
<tr><td>Crushed concrete</td><td></td><td></td><td></td><td></td></tr>
<tr><td>Crushed rock</td><td></td><td></td><td></td><td></td></tr>
<tr><td>Composites</td><td></td><td></td><td></td><td></td></tr>
</table>
</td><td>• Completion of this table.</td><td>• Materials have the maximum allowable recycled content % according to current specifications.</td></tr>
</table>

<table>
<tr><th>Focus area</th><th>What should be included?</th><th>Means of evaluation</th><th>Example of good practice</th></tr>
<tr><td></td><td>
<table>
<tr><td>Glass (recycled crushed glass)</td><td></td><td></td><td></td><td></td></tr>
<tr><td>Plastics</td><td></td><td></td><td></td><td></td></tr>
<tr><td>RAP</td><td></td><td></td><td></td><td></td></tr>
<tr><td>Timber</td><td></td><td></td><td></td><td></td></tr>
<tr><td>Metal</td><td></td><td></td><td></td><td></td></tr>
<tr><td>Textiles (shade cloth, fencing mesh)</td><td></td><td></td><td></td><td></td></tr>
<tr><td>Other (list)</td><td></td><td></td><td></td><td></td></tr>
</table>
</td><td></td><td></td></tr>
<tr><td></td><td>What % of standard aluminium or standard steel will be replaced with aluminium or steel made from renewable energy, or timber?</td><td>• Commitment to % or lower carbon materials.</td><td>• Bill of quantities or similar providing evidence of % used.</td></tr>
<tr><td></td><td>What % of Portland (standard) cement will be replaced with geopolymer concrete or supplementary cementitious materials?</td><td>• Commitment to % or lower carbon materials.</td><td>• Bill of quantities or similar providing evidence of % used.</td></tr>
<tr><td>Waste management</td><td>Does the supplier/contractor have the plans, skills, systems and experience to minimise construction and demolition waste? Is this demonstrated within a site waste minimisation and management plan or similar?</td><td>• Capability statements.
• Qualifications.
• Previous project experience.
• Waste management plans.
• Site waste minimisation & management plan.</td><td>• Good practice looks like – existing waste management plans, employees with 5+ years' experience in waste, and have achieved high diversion rates e.g., >70% diversion.</td></tr>
<tr><td>Waste management - textiles</td><td>Describe your approach to minimising textiles (fencing mesh or shade cloth) waste. For example:
- avoidance of textiles with virgin plastic
- where feasible using materials that include recycled content</td><td>• Commitment to % or lower virgin materials
• Previous project experience.</td><td>• Bill of quantities or similar providing evidence of % used.
• Demonstrated understanding of</td></tr>
</table>

Focus area	What should be included?	Means of evaluation	Example of good practice
	- participating in product stewardship programs such as Texback (led by the Vinyl Council of Australia) for PVC coated polyesters	• Waste management plans.	issue and plan to address.
Resource efficiency	Does the supplier have the plans, skills, systems and experience to reduce potable water construction?	• Capability statements. • Qualifications. • Previous project experience. • Water reduction plan.	• Good practice looks like previous experience demonstrating >15 % reduction.
Life-cycle costing (LCC)	Please provide the purchase price and all associated costs (delivery, installation, insurance, etc.).	• Data provided.	• Break down of costs across life of product or project or provision of invoices.
	Please provide the operating costs, including energy, fuel and water use, spares, and maintenance.	• Savings on use of energy, water and fuel. • Savings on maintenance and replacement.	• Sample utilities bills for relevant operating costs.
	What are the end-of-life costs, such as decommissioning or disposal?	• Savings on disposal costs.	• Example waste disposal invoices/tip dockets. • Supporting procedure/policies dictating required end-of-life protocol.
	What is the lifespan of the product (including how frequently does it need to be repaired or parts replaced)?	• Evidence provided, verified independently or published externally.	• Warranties or product information, product disclosure.
	Please provide the data availability, reliability and assumptions clearly outlining costs to be incurred in the future (for example, maintenance costs, energy consumption, as well as the product's actual lifespan).	• Evidence provided, verified independently or published externally.	• Sample utilities bills for relevant operating costs.

Focus area	What should be included?	Means of evaluation	Example of good practice
			• Warranties or product information, product disclosure.
Minimise environmental pollution	Does the supplier/contractor have the plans, skills, systems and experience to minimise environmental pollution in construction works? Provide detail proven experience in: a) Preventing construction materials, materials from roadworks, slurries and sediment laden water from entering council's stormwater system. b) Minimising noise pollution. In NSW, noise pollution is regulated through the Protection of the Environment Operations Act 1997 (POEO Act). The POEO (Noise Control) Regulation 2017 also sets certain limits on noise emissions from motor vehicles, vessels and domestic use of certain equipment. c) And any other relevant pollution prevention experience and case studies.	• Previous project experience. • Site environmental management plan that specifically includes environmental and noise pollution.	• Pollution control is standard and regulated practice for this sector, including for smaller contractors. • Good practice looks like environmental management plan or policy and previous experience.
Environmental Management System	Please provide experience in Environmental Management Systems for construction works that include: a) Use of recycled materials and the opportunities to reuse, recycle and dispose of goods responsibly. b) Installation of erosion and sediment control measures for the duration of works. Adequate protection to prevent sand, sediment, top-soil and the like from being washed, carried or blown from construction and other work sites. c) Plans for unexpected incidents and defined plan of action in the event of a pollution incident. The pollution incident plan must include on-site resourcing to minimise the environmental damage. d) Prevention of spillages and pollutants from entering drains or waterways via drainage systems. e) Onsite supervisor and worker induction, education and awareness of the necessary environmental and safety protection requirements. f) Minimisation and prevention of the release of noxious gases to the atmosphere.	• Previous project experience. • Pollution incident plan. • Evidence provided, verified independently or published externally.	• Pollution control is standard and regulated practice for this sector, including for smaller contractors. • Good practice looks like environmental management plan or policy and previous experience.

Focus area	What should be included?	Means of evaluation	Example of good practice
General sustainability	How can your business contribute to delivering this project in a sustainable manner (e.g., environmentally, socially and/or economically)? Provide details of any innovations, initiatives or best practices your business has implemented that will generate sustainable outcomes on the project, including KPIs and reporting metrics.	• Evidence provided, verified independently or published externally	• Good practice looks like – innovations, awards, measured impact, trials of new technology or products or services

5.2 Technical sustainability clauses

The following clauses are the minimum requirement that should be met by building and construction industry professionals working on SSROC projects and can be included in tender, request for quote, or contract documents for any general procurement. These requirements:

- Have been largely adopted from Green Building Council of Australia's (GBCA) Green Star Rating Tools and the Better Building Partnership (BBP) guidelines.
- Aim to encourage management practices that minimise the amount of construction and demolition waste that is disposed to landfill.
- Include waste material produced during the construction, demolition or deconstruction of buildings and their infrastructure such as (but not limited to) concrete, wood, metals, plasterboard, cardboard, plastics, asphalt, textiles and mixed site debris like soil and rocks.
- Exclude excavation waste and special waste (e.g., asbestos or other hazardous and restricted solid waste as defined by the NSW EPA Environmental Guidelines and Policies for Waste). Refer to the NSW EPA webpage for information on regulatory requirements for managing these types of waste.

Table 4:

Focus area	Example wording
Waste technical specifications	All contractors and subcontractors to report on all waste generated onsite. Specify whether materials were sorted separately and how they are re-used, recycled, or disposed of offsite (please identify where each material is taken for recovery or disposal). The successful contractor will be required to report on the amount of waste materials recovered, and outline measures for avoiding contamination in waste storage, transport and disposal.
	Use modular formwork where possible.

Focus area	Example wording
	As per the regulated waste legislation, ensure that all regulated wastes are stored, transported, tracked and disposed of correctly.
	Ensure that no construction waste or litter enters the stormwater systems and Sydney waterways.
Resource recovery targets	Commitment to achieving a x% or greater diversion from landfill for all strip-out waste generated during the project, and at least 90% of waste generated during construction and demolition. This commitment is to be demonstrated via: a) Submission of a Resource Recovery Plan, calculating the expected recycling target for all strip out materials, including accurate estimations of material onsite and evidence of their planned avenues for reuse, recycling, or disposal. Contractors will be held to the fulfillment of their Resource Recovery Plan and be required to present evidence of having delivered it, but not be penalised for failure to meet a certain recycling target. b) As a minimum, it is expected that the following should be source separated for recovery: i. Hardfill (inc. concrete, tiles, etc.), ii. Clean fill (earthworks, soils, sands, aggregates), iii. Timber productions, iv. Plasterboard, v. Glass (inc. laminated), vi. Ceiling tiles, vii. Metals, viii. Carpet and soft furnishings (curtains, cushions etc.), ix. Furniture, x. Plastics, xi. E-waste, xii. Signage (e.g. TexBack for vinyl banners) xiii. Mixed waste. c) Commitment to complete a Resource Recovery Report prior to Practical Completion, confirming the total amount of construction waste generated, all major waste streams, achieved recycling rate and supporting documentation. Refer to the Better Buildings Partnership template at: https://www.betterbuildingspartnership.com.au/resource/stripout-waste-guidelines-procurement-systems-and-reporting/bbp-stripout-waste-resources-workbook/
Sustainability management plan	The Contractor must prepare a Sustainability Management Plan setting out the Contractor's approach to achievement of the sustainability requirements of the Contract.
	The SMP must: a) Provide a statement of the scope, purpose and objectives in relation to sustainability. b) Must align with the client's [sustainability policy/strategy/principles/goals] and demonstrating how the Works and Temporary Works (as applicable) will contribute to the achievement of the client's sustainability goals.

Focus area	Example wording
	c) Identify the Contractor's Project Management Team representatives responsible for the implementation of the SMP and achievement of the sustainability requirements. d) Identify roles and responsibilities to establish and manage the systems, processes and activities described in the SMP, and achievement of the sustainability requirements set out in this Contract. e) Describe the systems, processes, procedures and activities the Contractor will implement and maintain to achieve the sustainability requirements of the Contract, including: i. Integration with of all Project Plans and key disciplines, including procurement, risk, design, engineering, construction and stakeholder management. ii. Communication and awareness processes for ensuring personnel are aware of their roles and responsibilities in relation to sustainability. iii. Training and education processes for ensuring personnel possess the necessary skills and knowledge to fulfil their roles and responsibilities in relation to sustainability. iv. Engagement activities with key disciplines to identify sustainability opportunities and initiatives for implementation. v. A change management process that details how the Contractor will manage the impact of changes in scope, design (including changes to the Design Documents), and Key Personnel to ensure sustainability requirements are achieved. vi. Data collection and reporting systems to track progress against and demonstrate compliance with sustainability requirements; and vii. Monitoring, auditing, reporting and management review processes. f) Contain the Sustainability Risk and Opportunities Register.
Sustainability risk and opportunities register	The Contractor must develop a Sustainability Risks and Opportunities Register, and it must: a) Include a listing of the risks to the achievement of the sustainability requirements and identify their mitigation measures. b) Include a listing of opportunities that the Contractor plans to investigate and implement as part of achieving the sustainability requirements.
Greenhouse gas reduction	Develop an Emissions Reduction Plan including emissions reduction targets and identify and prioritise energy reduction and greenhouse gas reduction initiatives for implementation.
	The Contractor must offset at least 25% of the electrical energy consumed in carrying out the project activities. This may be through the purchase of: a) Large-scale generation certificates, or b) Renewable energy from an Australian Government accredited renewable energy supplier, or c) A combination of both.
	The Contractor must capture and report the project activity's greenhouse gas data consistent with the requirements of the National Greenhouse Gas and Energy Reporting System (NGERs).

Focus area	Example wording
	The Contractor must ensure that all vehicles, plant and equipment, are: a) Fitted with diesel particulate filters, catalytic converters or equivalent wherever feasible. b) Not left idling when not in use. c) Can provide evidence of regular maintenance and service history
Construction waste management plan	The Contractor must prepare a Waste Management Plan setting out the Contractor's approach to achievement of the waste goals of the Contract. The Waste Management Plan must include: a) Provide a statement of the scope, purpose and objectives in relation to sustainability. b) Must align with the client's [waste policy/strategy/principles/goals] and demonstrating how the Works and Temporary Works (as applicable) will contribute to the achievement of the client's waste goals. c) Identify the Contractor's project management representatives responsible for the implementation of the WMP and achievement of the waste goals d) Identify roles and responsibilities to establish and manage the systems, processes and activities described in the WMP, and achievement of the waste goals set out in this Contract. e) Describe the systems, processes, procedures and activities the Contractor will implement and maintain to achieve the waste goals of the Contract, including: i. Integration with of all Project Plans and key disciplines, including procurement, risk, design, engineering, construction and stakeholder management. ii. Communication and awareness processes for ensuring personnel are aware of their roles and responsibilities in relation to waste management. iii. Training and education processes for ensuring personnel possess the necessary skills and knowledge to fulfil their roles and responsibilities in relation to waste management. iv. Engagement activities with key disciplines to identify opportunities and initiatives for implementation. v. Data collection and reporting systems to track progress against and demonstrate compliance with waste goals, and vi. Monitoring, auditing, reporting and management review processes. g) Provide description where the materials will be taken and how the recycling facility will process the material, and h) Specifying measures for tracking total and diverted waste amounts and material streams.
Pollution	As a contractor you will need to carefully manage the potential effects from your waste management activities and undertake the necessary precautions and waste management protocols to prevent environmental contamination from plastic and other pollution.
Unrecyclable materials	Below is a list of commonly unrecyclable materials that are likely to occur during your construction and demolition activities. Avoidance of these waste types is a requirement, where that is not possible reuse of these materials must be included in reporting: a) PPE (hardhats and protective eyewear). b) Treated timber.

Focus area	Example wording
	c) PVC Pipes d) Textiles; and e) Some types of plasterboard: i. **Accepted**: Only standard plasterboard is accepted ii. **Not accepted:** Ultraline, Toughline, Fyreline and Aqualine & X-Block.
Material selection & quality expectations (Including textiles)	Recycled content – can virgin materials be replaced by recycled content in the product or material?
	Recyclability – can the product or material easily be recycled or composted in practice and at scale in Australia? Are product stewardship programs available for example: Texback (led by the Vinyl Council of Australia) for PVC coated polyesters
	Resource efficiency – has this product or material being efficiently manufactured with less materials being used to produce the same product? Is there data available to support this, e.g., life cycle assessment, embodied energy calculations?
	Salvage and reuse – are there second-hand parts that can be used? Can this product or material be reused? Are extended producer responsibilities applicable
	Durability – is this product or material durable? How quickly will it need to be replaced?
Training and Education	Contractors are responsible for running site-specific waste specific inductions to all staff and/or relevant subcontractors that are carrying out Construction & Demolition activities. This that should outline the components of your WMP and explain the site-specific practicalities of the waste reduction and recycling strategies in place.
	Using images in training sessions and training materials, particularly where staff and sub-contractors may not have English as their first language;
Ongoing Reporting Requirements	Cumulative waste report generated from the monthly waste reports must be provided by the waste contractor over the entire duration of all construction and demolition or refurbishment documents. a) Supporting waste disposal dockets will not be required but should be made available when requested. b) To calculate the amount of waste diverted from landfill, the project team is required to report the total amount of waste generated from the refurbishment, the amount sent to landfill, and the amount of all recyclable/reusable wastes sent to processing facilities. c) The Contractor must: retain appropriate, complete and accurate records); and d) Provide the [Council/Manager] with those records upon written request.

5.3 Optional material-specific performance standards, clauses and controls

The following performance standards, clauses and controls can be used on waste-management tenders, or contracts where more specific detail is required from suppliers.

Table 5:

Material specific performance standards	
Material specific diversion targets	Divert 100% of concrete, hard-fill and clean-fill from landfill.
	Ensure that 100% of waste oil is recycled.
	Achieve recycling rate of 80% scrap metals (ferrous & non-ferrous) from any demolition and construction activities.
	Achieve recycling rate of 80% of cardboard, paper and plastic waste (including clear soft plastic, pallet wrap and packaging).
	Achieve recycling rate of 80% untreated hardwood timber waste and green waste.
Activity specific controls	
Waste management	Designate and clearly label each bin and recycling stream at the waste storage areas so people know how the sorting system works.
	Develop induction information to explain the waste management system or create a waste section in your regular induction information.
	All contractors, subcontractors arrange recycling bins for all recyclable streams throughout the project.
	All contractors to ensure that carboard, paper, soft plastic wrapping and organic waste is captured and recycled using designated bins.
Textiles (carpet)	Carpet must be modular (carpet tiles) in order to extend life of carpet (minimise replacement by targeting high impact areas only) and maximise alternatives for end of life.
	End of life options must be specified including product recycling, take back or stewardship schemes.
Carpentry/Joinery	Order pre-made framing and joinery to avoid off-cuts onsite.
	Prepare accurate cutting lists before ordering and use off-cuts wherever possible before cutting new lengths.

	Keep treated and untreated waste timber separate at all times. Clearly label each bin or area.
	Have a single timber cutting area to keep all offcuts in one designated bin or pile. Staff and contractors can help themselves to offcuts during the project.
	Consider if untreated timber can be used for firewood (staff, the public or charities). Provide a dedicated bin or pile.
	Order pre-made framing to avoid offcuts on site and prepare accurate cutting lists before ordering.
Vegetation	Vegetation from earthworks should be reused onsite (where possible) or diverted for landscaping purposes offsite.
	Vegetation waste should be shredded or processed into wood chip or mulch and can be used in the rehabilitation of areas disturbed during construction, and for landscaping.
Earthworks/excavation	Where excavated material needs to be stockpiled for the efficient operation of the works, it will be placed at a designated stockpile area.
Welding/steel	Use offcuts wherever possible before cutting new segments and/or reweld offcuts wherever possible before cutting new lengths.
	Store steel waste with all other metal waste for recycling.
Concrete/brickwork	Ensure surplus cement is stockpiled and used for onsite reclamation.
	Store waste concrete separately from other waste for use in reclamation.
	Use recycled concrete aggregate as a base course in civil works.
	Reuse formwork, wooden boxing and timber scraps where possible.
	Recycle broken bricks and tiles with waste concrete.
Plasterboard	Store clean (standard) construction plasterboard waste separately for recycling.
	Keep demolition plasterboard separate, as demolition plasterboard is more difficult to recycle and may contaminate the waste.
Electrical	Recycle electrical offcuts with other construction metal and strip insulation from wire prior to recycling.
Excess materials or products	Return oversupplied materials to the supplier and/or use on the next job.
	Separate and protect materials for salvage – store under cover and away from waste.

6 Facilities Management

The range of council-owned buildings, many with high foot traffic may have a high risk of uncontrolled waste streams and energy consumption. To deliver council sustainability goals, facilities management service providers must be in line with council values, environmental targets and expectations.

6.1 Facilities Management specifications

Inclusion of specifications for the facilities management industry should be proportional to the risk and value of the procurement. For example, for a high-value tender that has a high risk of waste or future energy consumption, council should request, at a minimum, that tenderers detail their organisations' policies and standards that demonstrate commitment and experience in managing these risks.

See Appendix C for examples of best practice ratings and standards that can be used for improving the performance of facilities, tracking and measuring over time.

Table 6:

What should be included?	Means of evaluation
Technical specifications for waste reduction	
Do you have any established partnerships with reuse, repurposing and/or recycling facilities?	Previous experience, references or other evidence provided, verified independently or published externally.
What waste reduction initiatives have been introduced into your operating standards? What percentage reduction in waste does this achieve?	Previous experience, references or other evidence provided, verified independently or published externally.
What percentage of waste can you commit to diverting from landfill?	Previous experience, references or other evidence provided, verified independently or published externally.
Please provide details on the end-of-life facilities for each waste stream, and the proposed end use of each material type.	Previous experience, references or other evidence provided, verified independently or published externally.
Please demonstrate your approach for continuous improvement in recycling and resource recovery outcomes across the term of the contract.	Previous experience, references or other evidence provided, verified independently or published externally.

What should be included?	Means of evaluation
Operational waste management plan	
Within 28 days of contract award, and prior to the commencement of the Services, the supplier/contractor should provide a comprehensive Operational Waste Management Plan (OWMP) for review and approval by the council. See Appendix B for a list of what should be included in an OWMP. The OWMP should include details of on-site waste stream separation for major waste streams to be generated during supplier activities. Dependant on the nature of the services, a minimum number of waste and recycling streams should be nominated for material separation to maximise diversion from landfill. As a baseline, the following streams should be separated for recycling: a) Mixed recycling (including glass), b) Paper & cardboard, c) Organics (Food waste and vegetation), d) E-waste. In addition to these streams, dependent on the nature of the services, separate collection should be considered for: e) Soft plastics, f) Bottles & cans (e.g., via container deposit schemes), g) Metal, h) Glass, i) Timber/ wood products, j) Textiles (e.g. carpet, curtains, soft furnishings, woven signage such as banners), k) Furniture, appliances and other goods suitable for reuse, resale.	Previous experience, references or other evidence provided, verified independently or published externally.
The supplier/contractor is to provide sufficient equipment to manage the named streams, including bins, skips, and any equipment required for suitable onsite waste data collection, e.g., scales. Supplier is to provide security or IT measures to secure the bins overnight/out of hours. All equipment provided by the supplier is to be: a) Safe and fit for purpose, b) Kept clean and presentable, and c) Complies with relevant legislation, law, and Australian Standards, including AS 4123: 2006 mobile waste containers.	Previous experience, references or other evidence provided, verified independently or published externally.
The waste management and/or disposal facility for each stream is to be nominated and approved by the [council] prior to commencement of these Services. The supplier/contractor must provide details on: a) The nominated facility for each stream, including contact details and location, b) Licenses or equivalent documentation demonstrating the nominated facility is authorised to accept and process the type of waste listed,	Previous experience, references or other evidence provided, verified independently or published externally.

What should be included?	Means of evaluation
c) The acceptance criteria for this stream at the nominated facility, d) The intended treatment of the waste at this facility, measures to ensure this process will be followed (e.g., evidence the waste will not end up in landfill), and details on any subsequent facility to treat or manage the waste after being processed by the nominated facility (again, evidence of authorisation of subsequent facility to accept the processed waste is required), e) The documentation and records to be received from the facility for each disposal, f) Three alternative facilities to be used only in emergencies, and likewise details of these facilities as noted in points a)-e) above.	
The [council] is open to and encourages opportunities to establish partnerships with resource recovery facilities/alternate solutions e.g., CDS charity donations, and Mates on the Move, and encourages solutions incorporating partnerships that facilitate maximum value-recovery. Provide evidence of any such partnerships.	Previous experience, references or other evidence provided, verified independently or published externally.
To provide accurate reporting, and in alignment with GECA and NABERS Waste Rating benchmarks, waste bins are to be weighed at pick up to record the weight of each bin; bin lifts and density estimates are not a sufficient methodology. As specified by the GECA Waste Collection Services Standard, the order of preference for obtaining bin weight is: 1. Actual bin weight by National Measurement Institute (NMI) approved scales, 2. Actual bin weight by regularly calibrated scales, 3. Site specific densities per stream, 4. Industry densities, 5. Bin lifts.	Previous experience, references or other evidence provided, verified independently or published externally.
Induction procedure, including provision for all personnel, including subcontractors to undertake a site-specific induction provided by council, in addition to induction of cleaners and tenants to new waste services.	Previous experience, references or other evidence provided, verified independently or published externally.
Greenhouse gas reduction	
For energy and emissions management criteria see table 4 (pg29) section Greenhouse gas reduction.	Previous experience, references or other evidence provided, verified independently or published externally.
Facilities management best practice and innovation example	

What should be included?	Means of evaluation
A significant component of the tender evaluation will focus on tenderers' demonstrated innovation and initiative to implement best practice methods that will achieve the best outcome for the site in terms of waste diversion and reduction, and sustainable operation. The tenderer is to demonstrate how they will implement best practice and/or innovative circular economy solutions in their approach to completing this Scope of Services.	

6.2 Facilities Management clauses

All suppliers should be responsible for the development and provision of resource recovery and waste management procedures for any and all material outputs related to their scope. These responsibilities include, but are not limited to:

Table 7:

Example wording
Services: provision of waste and recycling separation and collection equipment, and management of such systems. Provision of energy and emissions data capture systems, and management of such systems.
Legislative compliance: provide the services in accordance with all relevant standards, legislation, regulations (environmental, health & safety, modern slavery, risk etc).
Access: provide any access, inspections, or provision of information reasonably requested by council, or assigned representative (e.g., independent assessor).
Reporting: provision for regular emissions and waste data and performance reporting and/or meetings.

7 Waste Contracts

Provision of waste services is consistently one of the largest spend category for councils. Previous sections in this Guide (General Procurement, Constructions Services and Facilities Management) contain many examples of specifications and clauses for avoiding waste and supporting reuse and recycling in products and services specific to each category. This Waste Contracts section is focused on the additional environmental and social specifications that should be considered in waste collection contracts.

7.1 Waste collection specifications

The General Procurement Category contains some specifications that should also be considered for waste contracts proportional to the risk and value of the procurement. See:

1. Table 1 (pg11) General organisational performance
2. Table 1 (pg13) Carbon and emissions reduction
3. Table 1 (pg16-18) Modern slavery.

Table 8:

What should be included?	Means of evaluation
Technical specifications for waste reduction	
Do you have any established partnerships with reuse, repurposing and/or recycling facilities? If so, please provide: a) The details of existing partners who deliver that service and where the items are reused, b) The capacity of each service, including current and future commitments, c) The nature of the relationships e.g. informal, formal partnership or letter of intent, d) How the safe unloading and safe storage of Reusable Household Items would occur at your Facility/ies, e) How the cost of providing the Reuse service is recouped, f) Proposed method for reporting on Reuse.	Previous experience, references or other evidence provided, verified independently or published externally.
What percentage of waste can you commit to diverting from landfill overall and for each stream? Please detail how this will be reported.	Previous experience, references or other evidence provided, verified independently or published externally.

What should be included?	Means of evaluation
The waste management and/or disposal facility for each stream is to be nominated and approved by the [council] prior to commencement of these Services. The supplier/contractor must provide details on: a) The nominated facility for each stream, including contact details and location, b) How each waste stream will be transported to the nominated facility and how the supplier will minimise transport kms in the collection contract, c) Licenses or equivalent documentation demonstrating the nominated facility is authorised to accept and process the type of waste listed, d) The acceptance criteria for this stream at the nominated facility, e) The intended treatment of the waste at this facility, measures to ensure this process will be followed (e.g., evidence the waste will not end up in landfill), and details on any subsequent facility to treat or manage the waste after being processed by the nominated facility (again, evidence of authorisation of subsequent facility to accept the processed waste is required), f) The documentation and records to be received from the facility for each disposal, g) Three alternative facilities to be used only in emergencies, and likewise details of these facilities as noted in points a)-e) above.	Previous experience, references or other evidence provided, verified independently or published externally.
Please provide details on the end-of-life facilities for each waste stream, and the proposed end use of each material type. This should include how residual materials that can't be reused, recycled or used for energy recovery will be managed and where residual materials will be managed (facility and its capacity).	Previous experience, references or other evidence provided, verified independently or published externally.
Please demonstrate your approach for continuous improvement in recycling and resource recovery outcomes across the term of the contract.	Previous experience, references or other evidence provided, verified independently or published externally.
How can your business contribute to delivering this project in a sustainable manner (e.g., environmentally, socially and/or economically)? Provide details of any innovations, initiatives or best practices your business has implemented that will generate sustainable outcomes on the project, including KPIs and reporting metrics.	Good practice looks like – innovations, awards, measured impact, jobs for socially disadvantaged, trials of new technology or products or services

7.2 Waste contracts performance indicators/metrics

The table below includes examples of metrics and key performance indicators for the collection and recovery of solid waste that can be tailored for waste contracts.

Table 8:

Criteria	Indicator
Operation cost	Average cost per metric ton ($/metric ton)
Social perception	% of persons satisfied or not satisfied with the waste management system
Collection and Handling	Waste materials are collected and processed within the nominated dates and collection times specified in the contract
	% of recoverable material collected
	% of waste collected to the waste generated
Quality	Average qualification to the waste management system and collection service
Final disposal	Reduce the % to landfill to lowest possible amount for the specific material and maximise recovery
	Comply with all relevant standards, government legislation and regulations (environmental, health and safety, modern slavery, risk etc).
Resources	Coverage of the collection services
Social participation	% of homes that separate waste (of the total number of homes)
	% of the population eager to participate in the separation of waste
	% of comments in favour of recycling
	Decrease in the number of illegal dumping incidents
Recovery & treatment	% of waste recovered (with detailed recovery rates for each stream)
	Total metric tons recovered compared with the total generated (%)
Communication	Percentage of employees having training in Waste Management programs or systems
Composition	Composition of waste collected (% each category)
	Per capita collection of municipal waste
	Per capita collection of paper and cardboard
	Per capita collection of vegetation waste and per capita collection of food waste
	Per capita collection of plastic
	Per capita collection of metals
	Per capita collection of textiles
	Multi-material per capita collection
	Per capita collection of glass
	Undifferentiated per capita collection
	Collecting bulky waste per capita

	Collecting sweeping waste per capita
	Impact of separate collection
	Incidence of the collection of the wet fraction on the total of separate collection
	Incidence of undifferentiated collection
	Index of variation of total urban waste collection
	Recycling rate of municipal waste
	Recycling rate of all waste excluding major mineral waste
	Recycling rate of packaging waste by type of packaging

8 Evaluation Methodology

Due diligence in sustainable procurement will often lead to bulky submissions from potential suppliers. While council may not always have time to review these submissions in great detail (depending on the value of the procurement), it remains vital that suppliers are prompted to supply such information. By requesting such information, suppliers are aware of council's expectations and are encouraged to improve their own operations and procurements, leading to greater impacts along the supply chain.

8.1 General sustainability evaluation

The level and detail of evaluation of sustainability criteria depends on multiple factors, such as the level of spend, the sustainability priorities and the nature of the procurement (see section '2.2 category priorities' in the accompanying 'Integrating Sustainability Recommendations' report). For example, is the focus of sustainability evaluation on the leadership and management of the business; on the product itself; on managing risk within the supply chain; or in the operations of the project? As a minimum, the following can be used as a high-level guide to assess the evidence provided:

Table 10:

5. Leading or best practice	4. Progress beyond general compliance	3. Compliant with local laws, general good practice	2. Non-compliant situation, improving	1. Non-compliant situation, no data or no current practice
Mature approach that is well-documented and evidence is readily provided. The supplier or contractor understands the impacts to council and has a clear plan of action.	Improving approach that is supported by readily available documentation. Values are aligned with that of council, the supplier understands the priority issues and have begun to address them.	Business-as-usual approach, evident by standard policy and process documents for most issues. The supplier has the basic processes in place to understand issues to council; no specific plan to address them.	Supplier provides minimal basic documentation of policies and processes to address sustainability issues. Minimal understanding of sustainability impacts to council, or how to address them.	No evidence, cannot demonstrate an understanding or any action taken to address sustainability issues to council.

What does 'good' look like?

When assessing large scale or priority procurement, below are some examples of how to assess organisational or supplier information that may be provided in the form of documentation, polices and strategies.

- There is a clear structure and division of responsibilities with effective independent assurance through internal audit and external audit.
- Decision-making is open and transparent, and decisions are consistent with the purpose of the organisation and operate within the legislative framework.
- Policies and strategies are regularly updated and communicated to staff.
- Internal control arrangements (HR, payroll, debtors, assets etc.), including approved levels of delegation, are documented and regularly reviewed.

- There is a clear approach to managing all risks. Risks are documented, regularly discussed and escalated appropriately including the risk of harm (safeguards).

For further guidance on assessing responses and supplier selection see page 34 of the Local Government NSW Sustainable Procurement Guide. For guidance on understanding eco-labels and avoiding Greenwash, see 'How to compare products and services' page 22.

8.2 Evaluation of embodied carbon in construction

Based on the origin and the manufacturing process of each product, different products have different levels of embodied carbon. To achieve decarbonisation, procurement should consider the following tools to assess embodied carbon in products:

1. Product Life Cycle Assessments (LCAs) or related eco-labels and accreditations,
2. Environmental Product Declarations (EPDs), or
3. Product Environmental Footprints (PEFs).

The carbon management hierarchy can be used as a guide for assessing best-practice embodied carbon reduction. Starting with avoiding and reducing emissions by design optimisation (preferred option), to replacing high embodied carbon for low embodied carbon materials and products, through to offsetting carbon emissions (last resort).

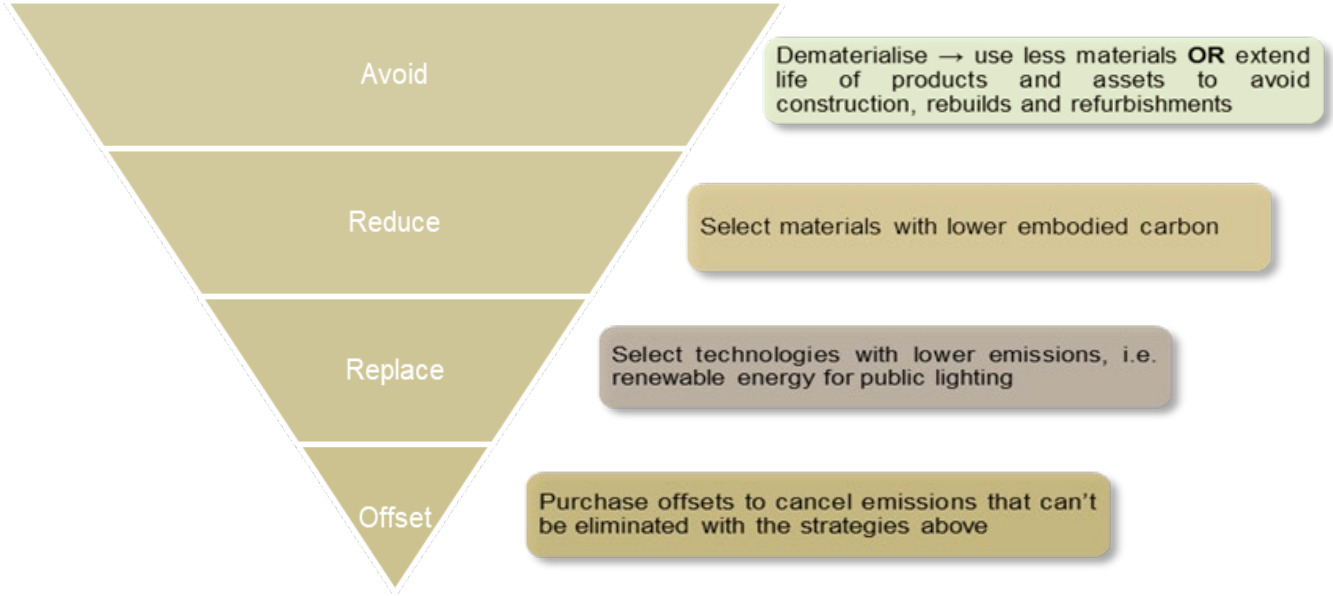


Figure 3: **Carbon management hierarchy**

8.3 Environmental Product Declarations (EPDs)

EPDs are used to quantify and communicate the environmental credentials of an organisation's product or services to business customers and consumers. EPDs are increasingly essential documents to enable participation in sustainable supply chains and major infrastructure projects, with many such projects now mandating EPDs. LCA and EPDs are also essential for certifications under many green rating and eco-labelling schemes, with recognition by such organisations as the Green Building Council of Australia (GBCA), the Infrastructure Sustainability Council of Australia (ISCA), the Living Future Institute, and Good Environmental Choice Australia (GECA).

8.4 Evaluation of waste reduction

Use the waste hierarchy as a guide to assess the value of waste reduction activities proposed by suppliers or contractors.

Avoid and reduce

Does the supplier:

a) assess and take into consideration waste produced from different design, product or project options.
b) purchase materials that will result in less waste, which have minimal packaging, are pre-cut or fabricated; and
c) make effort to accurately measure products and materials needed?

Reuse

Does the supplier:

a) identify all waste products that can be reused for example through a register.
b) put in place systems to separate and store reusable items at the source; and
c) identify the potential applications for reuse both onsite and offsite and facilitate reuse?

Recycle/recover

Does the supplier:

a) provide systems for separating and stockpiling of recyclables.
b) provide clear signage to ensure recyclable materials are separated; and
c) process the material for recycling or recovery either onsite or offsite?

Disposal

Does the supplier:

a) comply with legislative requirements as a minimum; and ensure correct bins or waste streams are available at the end use of the product or project?

8.5 Evaluation criteria for Facilities Management

The Better Buildings Partnership waste data integrity rating is a good benchmark to assess information provided by potential suppliers – the desired rating level or best practice is Platinum or Gold. See below for the type of evidence that demonstrates best practice is described below.

Table 11:

Rating	Evidence Requirements	Criteria
Platinum	Actual Weights (AW)	95% of all waste generated by the site is weighed on site by cleaners using calibrated scales or waste trucks with weighing capabilities.
	Two sources of data	Data sources must be independent of each other. Sources may include: a) Waste contractor invoice, b) Cleaner bin tally, c) Report from on-site scales showing individual bin weights, d) Automated bin readers, e) Weighbridge docket, f) CCTV video.
	Independent audit	The audit must be conducted by someone independent of the "sources of data". This will typically be parties independent of the waste and cleaning contractor. The audit must comply with the audit guidelines provided in Part E.5. A NABERS Waste audit satisfies this criterion.
	Site contamination adjustment	Site contamination is obtained following an independent compositional audit to determine non-acceptable items, as per the processing facility criteria.
	Outcomes based adjustment	Adjustment to reflect grading of recycling pathway reflecting highest resource recovery options.
Gold	Actual Weights (AW)	95% of all waste generated by the site is weighed on site by cleaners using calibrated scales or waste trucks with weighing capabilities.
	Two sources of data	Data sources must be independent of each other. Sources may include: a) Waste contractor invoice, b) Cleaner bin tally, c) Report from on-site scales showing individual bin weights, d) Automated bin readers, e) Weighbridge docket,

Rating	Evidence Requirements	Criteria
		f) CCTV video.
	Independent audit	The audit must be conducted by someone independent of the "sources of data". This will typically be parties independent of the waste and cleaning contractor. The audit must comply with the audit guidelines provided in Part E.5. A NABERS Waste audit satisfies this criterion.
	Site contamination adjustment	Site contamination is obtained following an independent compositional audit to determine non-acceptable items, as per the processing facility criteria.
BBP Platinum and Gold Waste Data Integrity Rating Criteria		The supplier must be able to attribute a weight to each bin collected. Weight must be measured according to the individual waste stream and evidence is required regarding the maintenance and integrity of any scales/meters used.

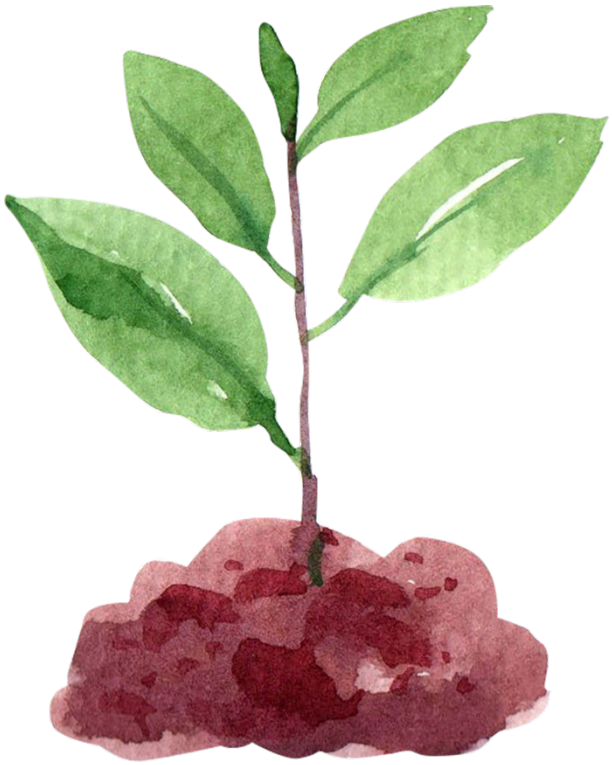
8.6 Waste Service Provider (WSP) evaluation

The contents of the table below can be used in tender documents to guide WSP applications.

Table 12:

Example wording	Weighting
Best practice and innovation: demonstrated value-add e.g., incorporation of circular economy solutions into methodology, demonstrated reduction of transport emissions, tenderer commitment to relevant accreditations or equivalent (e.g., NABERS Waste, GECA).	3
Performance targets methodology: for achieving progressive waste diversion and contamination targets (see Section 5.9).	3
Waste management scope e.g. 6 or more waste streams identified and addressed.	2
Waste data and reporting mechanisms e.g. online reporting platform.	2

Example wording	Weighting
Continued improvement programme: including proposed tenant and cleaner engagement(s).	2
Value-for-money	2
Experience & referees	1
Quality system	1



Appendix A: Key Sustainability Issues

Embodied carbon

The built environment sector accounts for 39% of global carbon emissions: 28% from building operations and 11% from embodied carbon in building materials and construction[iv].

Embodied carbon is the greenhouse gas emissions (carbon dioxide equivalent) from all activities undertaken during a product's manufacture, use and disposal, including resource extraction, production and transportation. Figure 4, below, illustrates the lifecycle stages that contribute to the embodied carbon of a construction project from extraction and manufacture to transportation and end-of-life.

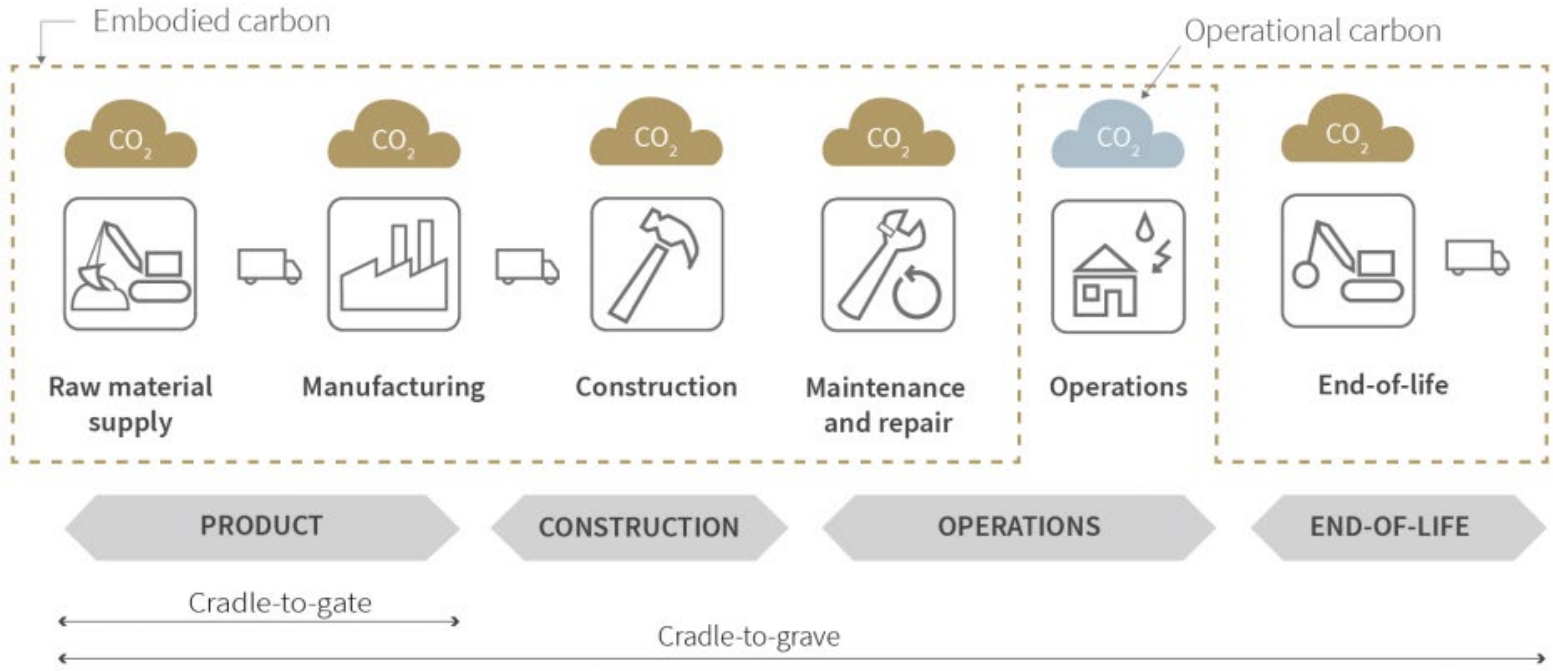


Figure 4: **Lifecycle stages contributing to embodied carbon. Adapted from "Looking Ahead to Embodied Carbon Policy Action in 2021" by Carbon Leadership Forum: https://carbonleadershipforum.org/looking-ahead-to-embodied-carbon-policy-action-in-2021 © 2021 Carbon Leadership Forum**

Transportation

Transportation is the fastest growing major contributor to global climate change, accounting for 23% of energy-related carbon emissions. Of that, 43.2% is due to product and materials transportation[v].

The contribution of transport to the embodied impact of products is relevant when transporting over long distances, or when transporting large quantities of very dense materials (e.g., concrete, steel, masonry).

Three main factors are relevant when evaluating transportation in the procurement process:

1. The distance from the source to the destination,
2. The weight of the product (total quantity), and
3. The transportation method.

Resource efficiency and carbon reduction using circular economy principles

A circular economic model is one designed to maximise the value of products and materials while in use, then to reuse and recycle materials at the end of their use, ultimately eliminating waste across the value chain. This reduces demand for finite natural resources, increases resources efficiency, lowers carbon emissions, and regenerates natural systems.

Three factors to consider when evaluating the circularity of products are:

1. Are the goods/services designed in a way that maximises long-term value retention (re-use/recycling)?
2. Does the supplier offer adequate product support and supportive services to ensure long-term use?
3. Does the supplier offer, or work with other stakeholders, to recover goods/services at the end of their useful life?

Textiles Waste

Globally, it is estimated that the textiles industry (across production, manufacture, use and disposal) generates around 1.2 billion tonnes of CO2e emissions every year – or 6-8% of the global total. One of the important ways that councils can reduce carbon emissions is by supporting a circular textile economy and taking actions to increase recovery and progress sustainable procurement outcomes by supporting local jobs in social enterprises and the reuse economy.

See report Textile Recovery Action Plan for Sydney Councils June 2021) for SSROC, Western Sydney Regional Organisation of councils (WSROC) and Northern Sydney Regional Organisation of councils (NSROC) for detailed information.

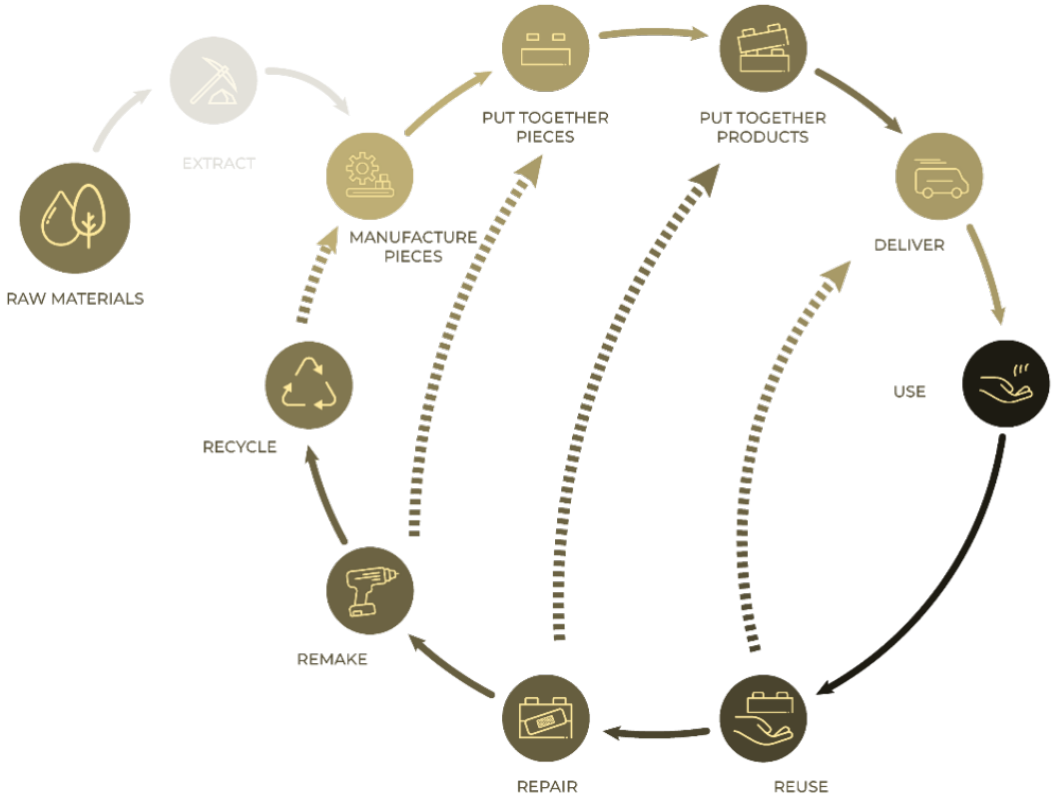


Figure 5: **Circular Economy Business Model. Reprinted from Circulab © Copyright 2021 Circulab**

Circular Economy Value Hill

For more guidance on the circular economy, the 'Value Hill' approach (see Table 32 below) provides **an effective means of describing and classifying focus areas that support a circular economy transition**. The focus areas include:

1. **Avoidance:** including more efficient use of raw materials, increased longevity, repair or refurbishment.
2. **Design for end-of-life:** use materials that can be easily separated and disassembled, to be ready for collection and recycling.
3. **Substitution:** replacing virgin material or increasing % of recycled content in product manufacture.
4. **Value-adding:** improving preparation, presentation or quality of recyclables, and/or reducing contamination to suit market needs for input materials.

5. **Reuse models:** providing support for organisations that enable reuse, sale of used goods, such as charity shops and tool libraries.
6. **Manufacturing:** embedding circular economy principles in all processes.

To deliver circular procurement outcomes, tenders should include practical application of the value hill through:

a) inclusion of the relevant circular economy principle in tender requirements,

b) visibility of the business model, and

c) assessment of the evidence demonstrating how the circular economy focus area has been achieved.

Table 32: Circular economy focus areas. Reprinted from Edge Environment. © Copyright 2021 Edge Environment

Stage	Principle	Description	Circular Economy Focus area
Pre-use	Circular design	Business activities that occur during the pre-use or the design, production, and distribution phase of a product. These activities are positioned on the upward slope of the Value Hill and are focussed on prolonging the use phase (e.g., product longevity), accounting for end-of-life suitability (e.g., modularity), minimising resource-intensiveness and re-using existing components.	Avoidance Design for End-of-life Substitution
Use	Optimal ese	The in-use phase of a product. Business models in this category seek to optimise the use of the product by providing services or add-ons to extend the lifetime of a product or provide ways to improve productivity of a product. These business models are positioned on top of the Value Hill.	n/a
Post-use	Value recovery	The post-use phase of a product. These business models generate revenue by capturing the value from used products (formerly known as waste or by-products). Value Recovery involves using recaptured materials, providing refurbished products selling second-hand products, and facilitating remanufacturing and recycling.	Value-adding Reuse models
Pre-use, use, post-use	Network management	Whilst not a section of the value hill, these supporting influences underpin and enable circular economy activity. It involves business activities that manage and coordinate circular value networks. This entails coordination and management of resource flows, optimising incentives and other supporting activities in a circular network.	Manufacturing

Modern slavery

Modern slavery affects millions of people worldwide and tragically, is a multi-billion-dollar industry.
Modern Slavery is used as an umbrella term to refer to cases of human exploitation where the victim cannot refuse or leave. The Commonwealth Modern Slavery Act 2018 (the Commonwealth Act) defines modern slavery as including eight types of serious exploitation:

- trafficking in persons
- slavery
- servitude
- forced marriage
- forced labour
- the worst forms of child labour
- debt bondage
- deceptive recruiting for labour or services.

Modern Slavery can be found in any organisation and supply chain that depend on labour, and frequently low-skilled labour, as part of their operations. This may include construction, manufacturing, hospitality, harvesting and cleaning roles. Modern Slavery can also be found in more upskilled industries such as IT and accounting usually when these services are sent offshore. The way that suppliers treat their workforce and sub-contracted workers may translate into modern slavery risks for any council that buy goods and services from that supplier.

Even in lower risk countries such as Australia, modern slavery is still a reality. It is estimated by the Global Slavery Index that in 2016 there were 15,000 people living in conditions of modern slavery in the country. Modern Slavery can be present in Australian organisations, including councils:

- Directly - through employment, within the business, through contractors or a recruitment agency for example cleaning or security contractors.
- Indirectly – through subcontracting, materials, or products within the supply chain for example subcontracted construction labour or manufacturing of building products, furniture or uniforms.

Under section 127 of the Industrial Relations Act 1996 (NSW), NSW Government agencies are already required to exercise due diligence in their procurement of goods and services. As at September 2021, Local Government is not currently required to report under the Act. However, any Australian business entity can provide a voluntary statement if they do not meet the thresholds for mandatory reporting.

Councils need to consider whether their current commercial and construction contracts meet the new modern slavery compliance, including requirements to facilitate assistance with audits (if modern slavery concerns are raised), encourage proactive disclosures of identified modern slavery issues and ensure that mechanisms are in place to review and monitor contractors and supplier's compliance with contractual and statutory obligations.

At a minimum ensure that the expression of interest and request for tender requirements require provision of modern slavery statements from entities that are subject to reporting requirements under the Commonwealth Act.

Appendix B: Operational Waste Management Plan

An Operational Waste Management Plan should include, but not be limited to:

a) Roles and responsibilities of relevant parties
b) Site contacts
c) Contact details and relevant licenses of all proposed subcontractors
d) Waste streams to be separated and collected (best practice is source separation of paper and carboard, recyclable containers, vegetation and organics, e-waste, clothing and mattresses, soft plastics, and polystyrene
e) Waste and recycling generation rates
f) Onsite equipment/infrastructure and waste management systems, including size, number, and operation and management protocol
g) Location of waste and recycling storage areas including size of the storage areas, distance from the storage area to the collection point, ceiling heights and access points of both storage areas and at the collection points (to understand both pedestrian and truck access)
h) Nominated facility for treatment/disposal of each stream
i) Record keeping and reporting protocols
j) Communication protocols
k) QA procedures
l) Incident and risk management plan, including spills on and offsite
m) Contamination management plan and continuous improvement program
n) Waste/performance targets and action plan
o) OHS plan, including:
    i. Policies and objectives,
    ii. Organisational structure and responsibilities,
    iii. Safe work practices and procedures,
    iv. An emergency contacts list,
    v. Emergency response procedures,
    vi. Evidence of appropriate safety training.
p) Collection schedule, including number of bins to be collected at each collection
q) Contamination audit and action protocol, and recording procedures (e.g., report and photos), including reporting and management procedure for load rejection at facilities
r) Equipment inspection and maintenance schedule, including preventative maintenance procedures, and provision for stand-by services (e.g., 24/7 callout service and maximum response time)
s) Dock/waste area provisions and management procedures
t) Training requirements and schedule, for internal staff, subcontractors and cleaners.

Refer to your councils guidelines for waste management plans, examples include the City of Sydney's: https://www.cityofsydney.nsw.gov.au/development-guidelines-policies/guidelines-waste-management-new-developments

Appendix C: Facilities Management Ratings and Standards

The following are examples of best practice ratings and standards that can be used for improving the performance of facilities, tracking and measuring over time.

NABERS Waste

NABERS Waste Rating applies to commercial office buildings with 3 or less retail tenancies (with exceptions). A rating for retail shopping centres is expected to be introduced in the next 1-3 years. This framework provides a performance benchmark for these services, futureproofing the services to satisfy potential NABERS submission and ratings. A NABERS rating includes:

- Waste recycling targets,
- Minimum seven waste streams
- Utilisation of the NABERS Waste rating Waste Manager platform for data management,
- Protocols for verifying data and application of a data quality adjustment to waste values.

Material Recovery Score: recognising efforts to achieve resource recovery of materials, including:

- Mindful supply chain contracts
- Collection destination
- Assigning a Material Recovery Value pending end of life outcome
- Audits undertaken by an independent assessor to verify contamination rates, bin composition and site density profiles to inform accurate waste data reporting, adjust recycling rate as required, and to inform Material Recovery Scores.

Better Buildings Partnership

The Better Buildings Partnership (BBP) provides operational waste guidelines that inform the requirements for a waste management plan (WMP) to be provided by the Waste Service Provider. Outcomes-based reporting focused on facility recovery rates and recovery pathways, including application of end-of-life facility recovery grades:

- A Grade: Where materials meet a closed loop objective and can be used repeatedly without being downgraded.
- B Grade: Where materials are down cycled into a lower grade product, this can only be done a limited number of times before the resource loses all values.
- C Grade: Materials that are produced in a waste diversion process where the product can only be used once.

Also included in BBP are:

- Education and training programmes for tenants and cleaners
- Waste data integrity rating protocol (refer part e of the guidelines): platinum/gold/silver/ bronze/nominal
- Contamination audit and independent audits to verify waste data
- Total waste reduction target (i.e., addressing waste avoidance not just waste diversion).

GECA

Good Environmental Choice Australia (GECA) provides a standard for waste services, developed in collaboration with the BBP. Demonstrated GECA certification should be reflected strongly within the evaluation. In lieu of the certification, demonstrated alignment of the proposed methodology with the GECA standards is desired. For example, the waste service provider could demonstrate they have and implement a formal environmental management system, based on ISO 14001 that covers all of the requirements in this specification and must include energy management and CO2 emissions related to service delivery.

Climate Active

Climate Active is a voluntary initiative by the Australian Government to promote and encourage businesses to become carbon neutral. Demonstrated certification under this initiative, or alignment to certification standards will be highly appraised.

Appendix D: References

[i] Scope 1, 2 and 3 emissions description, Carbon Trust: https://www.carbontrust.com/resources/briefing-what-are-scope-3-emissions#:~:text=Scope%201%20covers%20direct%20emissions,in%20a%20company's%20value%20chain.

"Scope 1 covers direct emissions from owned or controlled sources. Scope 2 covers indirect emissions from the generation of purchased electricity, steam, heating and cooling consumed by the reporting company. Scope 3 includes all other indirect emissions that occur in a company's value chain.

Scope 1	Scope 2	Scope 3
• Fuel combustion. • Company vehicles. • Fugitive emissions.	• Purchased electricity, heat and steam.	• Purchased goods and services. • Business travel. • Employee commuting. • Waste disposal. • Use of sold products. • Transportation and distribution (up- and downstream). • Investments. • Leased assets and franchises.

[ii] EU Circular Economy Action Plan: https://ec.europa.eu/environment/circular-economy/pdf/new_circular_economy_action_plan.pdf

[iii] https://www.lendlease.com/au/media-centre/media-releases/lendlease-carbon-neutral-construction-set-to-reshape--industry/

[iv] https://www.worldgbc.org/news-media/WorldGBC-embodied-carbon-report-published

[v] https://ourworldindata.org/co2-emissions-from-transport