

**Submission**

**No 5**

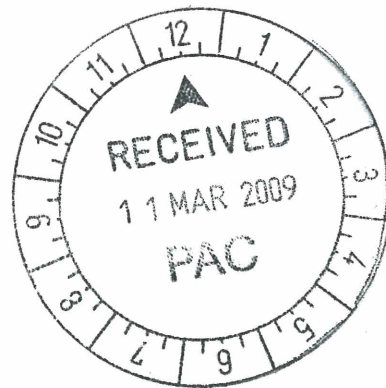
## **INQUIRY INTO INQUIRY INTO SUSTAINABLE PROCUREMENT**

**Organisation:** NSW Minister for Education and Training  
**Name:** The Hon Verity Firth MP  
**Position:** NSW Minister for Education and Training;  
NSW Minister for Women  
**Telephone:** 9228 4130  
**Date Received:** 11/03/2009

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**Theme:**

**Summary**



MT 09/17

Mr P McLeay MP  
Chair  
Legislative Assembly  
Public Accounts Committee  
Parliament of New South Wales  
Macquarie Street  
SYDNEY NSW 2000

- 6 MAR 2009

Dear Mr McLeay

Thank you for your letter of 17 December 2008, calling for submissions into an inquiry into sustainable procurement by the Public Accounts Committee.

As requested, please find attached a submission outlining a number of procurement practices the Department of Education and Training's Procurement Directorate is facilitating to give effect to the Government's policies and procedures promoting sustainable procurement within the Department.

Should you or members of the Committee require further information on any of these procurement practices, please do not hesitate to contact Mr Paul Hopkins, the Department's Chief Procurement Officer on telephone number (02) 9266 8439.

Thank you for the opportunity to contribute to the inquiry.

Yours sincerely

**Verity Firth MP**  
**Minister for Education and Training**

**PUBLIC ACCOUNTS COMMITTEE  
INQUIRY INTO SUSTAINABLE PROCUREMENT**

**INITIATIVES UNDERTAKEN BY THE DEPARTMENT OF EDUCATION AND  
TRAINING IN RELATION TO THE SPECIFIC TERMS OF REFERENCE**

**Inclusion of environmental considerations in procurement plans, tender specifications, selection criteria, and decisions**

- The Department of Education and Training considers environmental issues and impacts and sustainability options in all of its sourcing processes. For example, as of September 2008 all new printers purchased using the Department of Education and Training's Imaging Device contract are configured in default mode for double sided printing.
- The Department of Education and Training has lead the establishment of State Contracts for alternative energy sources and environmental products, most recently for both Solar Panels and Rainwater Tanks including developing the infrastructure to return site generated energy to the national grid. It is anticipated that contracts for both of these items will be available from April 2009, and the Department of Education and Training has immediate plans to install solar panels and rainwater tanks in over 300 schools by July 2009.
- The Department of Education and Training has supported the establishment of State Contracts of Office Products which has taken measures such as:
  - i. requiring suppliers of paper to tender 100% recycled paper as an alternative, so this will be available on the contract. Respondents to the paper category that do not also offer 100% recycled paper were culled from evaluations; and
  - ii. inclusion of recycled toner cartridges on the contract.
- The Department of Education and Training is negotiating with its photocopier supplier the purchase of remanufactured copiers, recycling the casing and relevant parts, reducing cost and carbon foot print of the product.

**Assessment and implementation of cost neutrality**

The Department of Education and Training assesses all procurements on a total life cost to the agency and selects suppliers and solutions on the basis of performance and cost effectiveness. Where procurement solutions are equivalent, Environmentally Friendly Products are preferred. Where an environmentally friendly alternative exists in its supply arrangements, the Department's procurement practice encourages greater use of Environmentally Friendly Products in three ways:

- i. Gaining the lowest pricing possible for Environmentally Friendly Products, improving price relativity against non Environmentally Friendly Products alternatives

- ii. Ensuring that High Specification Environmentally Friendly Products that might not normally be carried by Contractors are available to our buyers
- iii. For most price schedules, providing an opportunity for tenderers to offer Environmentally Friendly Products alternatives for products listed, where the possibility of Environmentally Friendly Products alternatives may not have been foreseen before

Generally, to be classified as an Environmentally Friendly Products, a product is required to meet some of the following criteria, contain a high percentage of recycled and/or recyclable materials and minimise the use of hazardous substances during manufacturing and, within the product itself, by being used instead of commonly purchased alternatives, will do one of the following:

- reduce the consumption of resources
- minimise greenhouse gas emissions
- reduce overall waste
- reduce the amount of toxic or otherwise environmentally damaging substances entering the environment

Additionally, where applicable, we will require the respondent to:

- specify which, if any, components of a product are re-manufactured
- specify which, if any, components of a product are made from recycled materials

### **Integration of environmental considerations throughout the procurement process**

- Environmental sustainability requirements are incorporated into all sourcing as part of the Department of Education and Training's procurement policies.
- Sustainability is considered during the:
  - Scoping of the requirement ;
  - Development of the tender request to market;
  - Evaluation criteria;
  - Contract formation;
  - Vendor performance management.

## **Reviewing of procurement of products for which a recycled or more environmentally friendly alternative is available and removing any bias against environmentally beneficial products**

Products are assessed or reviewed at completion of contract arrangements or where new products are advised by contract suppliers. Where change of products is appropriate and available, it is considered under the Code of Practice guidelines for procurement.

## **Validation of tenderers' environmental claims**

Review and validation of any tenderers' claims is a standard part of all tendering activity. In its most basic form it involves requiring the tenderer to substantiate and/or provide independent validation of their claims (e.g. certification) all the way to physically inspecting the tenderers' facilities, as has been recently done for the Rainwater Tanks tender, or independent testing of products such as computers, by third party assessment companies.

## **Other related matters**

There needs to be careful consideration to 'blanket' government prescriptive policies in support of Environmentally Friendly Products and solutions. Most procurement is situation dependent and Environmentally Friendly Products process requirements can add significant time to the process and additional cost.