

Case Study: Embedding sustainability into 'value for money'

COUNCIL NAME

Inner West Council

WEB ADDRESS

<http://www.innerwest.nsw.gov.au/>

SIZE

35 square kilometres

POPULATION

185,990

Overview

The former Marrickville Council adopted a new Sustainable Procurement Policy and Procedures, with the chief objective being to reframe procurement from "lowest price" to "value for money". The objective came directly from the Community Strategic Plan framework for using the quadruple bottom line in all Council work.

Council's Sustainable Procurement Policy ensures value for money by contributing to all of Council's long term outcomes; generating economic, social and environmental value; and avoiding unnecessary consumption.

Key outcomes:

- A sustainable specification library that is contributed to by project managers, which can be used and modified in future procurement projects.
- A new procedure where tenders are not released to the market until they reviewed by the Legal, Sustainability and Procurement units.
- Budgeting to ensure ecological sustainable design elements are incorporated in design briefs and not as an afterthought.

Background

As a large organisation, the former Marrickville Council recognised it a responsibility and an opportunity to positively impact supply chains and develop procurement procedures to result in sustainable outcomes. The first step to embedding this into staff practice was to update the procurement policy and get promotional buy-in from the executive.

An interdisciplinary project team consisting of staff from Environmental, Procurement, Community Development and Finance sections worked together on integrating objectives and principles outlined in Council's plans into the new procurement policy and procedures. Relevant Council plans/policies included:

- the Community Strategic Plan,
- the Fair Trade Policy,
- the Rethink Waste Strategic Plan,
- the Count Us In Policy Framework and Social Inclusion Charter (to ensure services that deliver social benefits and foster inclusion for everyone are considered during the procurement process e.g. sourcing from social enterprises)
- Council integrated Work Health and Safety and Environmental Management System provided direction on requirements for sustainable supply chain and risk management.

Implementation

The newly drafted procurement policy and procedures were trialled with large spend areas in the engineering sections of Council. Significant procedural changes for sustainability included:

- All tenders must be reviewed by the Legal, Sustainability and Procurement units.

- The intranet page was redesigned to help staff easily find the procurement process resources, including a guide on 'How to procure using the Quadruple Bottom Line' and a social enterprise guide.
- Training was provided to those officers who procured often or had significant spends. Run by staff from Council's Procurement and Sustainability units, new training also included half day induction training of civil works contractors to convey how contractors should help council achieve environmental targets

An audit of the sustainable procurement practices outlined in Marrickville Council's THINK Procurement Policy introduced in 2014 was undertaken by Procureability Pty Ltd in October 2015. This audit was conducted to assess how well the policy and procedures were embedded in the organisation. Recommendations from the audit are continuing to be implemented.

Outcomes

Previously, procurement was mainly decentralised with staff purchasing in isolation with little guidance or adherence to Council policy. Over the last year, the organisational culture and procurement structure has changed so that project managers consult with internal experts in the Procurement, Legal and Sustainability units and also integrate relevant Council strategies (e.g. Climate Change, Biodiversity and Water) and policies into their program of works.

Other specific outcomes include:

- The sustainable specification library for project managers e.g. a widely used specification that all timber used in park amenity building upgrades, the new child care centre and new library construction projects were to be Forest Stewardship Council (FSC) certified.
- To reduce the emissions from the concrete used in the new Sydenham Green skate park project, Council required the contractor to lower the proportion of Portland cement content used in concrete by 60% using recycled aggregates.
- Using the tender contract to lock developers into achieving the building energy performance for the new Library. Upon practical completion, the developer provides monthly reports to Council on energy performance during the defects liability period to ensure operations achieve the levels predicted. If consumption levels exceed target limits, the developer must rectify to meet targets.
- Green leasing requirements for cafes in sporting facilities. These include food and nutrition requirements to encourage customers to choose healthy options e.g. a mandatory condition for a range of fresh fruit to be available for sale at all times and priced at cost recovery only. Additionally, Council requires the lessee to have a commercial recycling contract and offers assistance to the cafe to compost organic waste on site.
- Stronger relationships between local re-use centres and Council project management staff (not just sustainability staff). The recent work to remove and dispose of old picket fencing at Petersham Park resulted in a portion of the fencing being reused by The Bower.

Key Learnings

What worked:

- Having the Sustainability unit review all tenders before they go to market.
- Reviewing the sustainability supplier questionnaire and providing advice to project managers on how to assess and consider it.

- In-house expert support: Having the Sustainability unit seen as an internal 'environmental consultancy' helped change the way sustainability is viewed at Council. This helped grow a better culture of getting in house environmental experts on board with projects at the briefing stage before they go to tender so issues are resolved earlier.
- Providing project managers with specifications they could easily slot into requests for quotations and tenders
- Cross Council working group
- Short, user friendly, simple policy
- Linking to the project management framework

Where we could have done better:

- Having a reference group made up of staff who purchase often e.g. infrastructure services - this would have saved us time with the many iterations of the procedures
- Presenting key issues, statistics, opportunities to senior management early on in the process (to get more buy in)
- Better understanding of software/systems in place and how to integrate new procedures into those
- More comprehensive testing
- More practical and mandatory tools e.g. clauses into tenders
- Dedicated resourcing (staff time and budget) to lead the project

The Council has established a strong foundation for sustainable procurement with its robust suite of sustainability policies and programs that are incorporated in the THINK Procurement Policy. The policy has established the starting point for wider promulgation, bearing in mind it is only been in place for a short time. Successfully embedding sustainable procurement at Council will be contingent on engaging staff and suppliers and integrating sustainability in all procurement processes.

Contact

Name: Rachel Hayden

Position: Team Lead Corporate Sustainability, Inner West Council

Phone: 02 9335 2069

Email: rachel.hayden@marrickville.nsw.gov.au

This project was the 2016 winner of the Sustainable Procurement Award at the LGNSW Excellence in the Environment Awards