

2011 Winner: Department for Families and Communities, South Australia Engaging suppliers to improve performance

Award for Excellence in Green Purchasing – Engaging Suppliers

This award recognises on-going engagement with suppliers on the sustainability performance of their products, services and organisations.

Since joining ECO-Buy in May 2010, the Department for Families and Communities in South Australia (DFC-SA) has actively engaged and sought to improve the sustainability performance of its suppliers. As a result, 6.2% of the Department's stationery expenditure is on environmental products and 672 tonnes greenhouse gas emissions have been avoided through the carbon off-set scheme offered by stationery supplier Lyreco Pty Ltd.

DFC-SA has a broad mandate to work with those who, through circumstance, may be poor, vulnerable, at risk of harm or isolated, and to connect them to choices and opportunities. The Department is committed to delivering its services (which include housing, family support, disability, ageing, and community partnerships) as sustainably as possible, in line with the objective of the South Australian Strategic Plan 'Attaining Sustainability.' The Department employs over 6000 staff and spent over \$196 million on supplies and services in 2009-2010.

From the outset DFC-SA has been impressive in the way it actively engages with its suppliers, which is a key principle of green procurement.

A quarterly Procurement and Grants Newsletter, which outlines the Department's sustainability initiatives, has been developed specifically for suppliers. The August 2010 issue announced the ECO-Buy membership and the Department's commitment to green procurement.

Sustainable procurement practices are embedded into the contracts process. All tenderers must provide information on their commitment to sustainability, which is assessed as part of the tender evaluation process.

Once the contract is awarded, the Department continues to work with its suppliers to improve their sustainability performance. Major suppliers are asked to provide sustainability reports, which the Department reviews. Sustainability issues and improvements are also discussed during the quarterly supplier contract management meetings.



A questionnaire is regularly sent out to suppliers to track their progress against sustainability objectives. Modelled on the *ECO-Buy Supplier Survey Template*, the questionnaire asks suppliers to provide information both on their environmental sustainability and social responsibility practices. The cover letter details the Department's commitments in these two areas and seeks support from its suppliers to achieve these commitments.

DFC-SA has found that the benefits of engaging with suppliers on sustainability are significant. As Paige Pham, Senior Procurement Advisor, notes "The supplier questionnaire tool has benefited DFC enormously as it has allowed us to identify those suppliers who share the same sustainable and socially responsible goals as the Department. Together we are able to pursue a range of initiatives including facilitating the choice for our staff to purchase environmentally preferred products and services."

DFC-SA not only demands high environmental standards of its suppliers, it also encourages its staff to adopt green procurement practices. An intranet page is dedicated to green procurement and contains information and links to various initiatives, such as the Sustainable Procurement Policy, guidance on how to assess suppliers' sustainability, product category checklists, green products databases and suppliers' sustainability reports.

On its sustainable procurement intranet page, DFC-SA also provides a list of disability enterprises - businesses that provide employment for people with disabilities - that operate in South Australia. The Department's engagement to date with these enterprises and green procurement achievements are also listed on DFC-SA's intranet.

DFC-SA's supplier questionnaire sets clear expectations with suppliers regarding sustainability performance by asking about their:

- Environmental policy and procedures
- Environmental Management Systems or other approaches to reducing environmental impacts
- Programs and initiatives to improve the sustainability performance of their products and/or services
- Processes for reducing greenhouse gas emissions, and recording and mitigating environmental hazards
- Compliance with any eco-label or other sustainability accreditation
- Any court proceedings related to breaches of environmental legislation that their organisation has been subject to in the last two years

Specific questionnaires have been developed for suppliers in the manufacturing, packaging and distribution industries.