

# Recycled Products and Materials

## Procurement Toolkit for Local Government

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Procurement Toolkit for Recycled Products and Materials

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Sustainability Victoria acknowledges Aboriginal and Torres Strait Islander people as the Traditional Custodians of the land and acknowledges and pays respect to their Elders, past and present.

## TABLE OF CONTENTS

<b>1 Introduction</b>	<b>5</b>
1.1 Recycling Victoria and Recycled First Policy	6
1.2 Buy Recycled Service	6
1.3 How to use the toolkit: Procuring recycled products and materials	7
<b>2 Recycled products and materials in the circular economy</b>	<b>8</b>
2.1 Why are recycled products and materials important?	8
2.2 What is sustainable procurement?	9
2.3 What are recycled materials and products?	9
2.4 What is the circular economy?	10
<b>3 The procurement of recycled products and materials in the procurement life cycle</b>	<b>11</b>
3.1 Step 1: Plan the procurement	12
3.1.1 Procurement details	12
3.1.2 Organisational needs	13
3.1.3 Procurement outcomes	13
3.1.4 Market analysis	13
3.1.5 Environmental sustainability	13
3.1.6 Use of recycled products and materials	14
3.1.7 Recycled product and materials opportunities	14
Checklist – Plan the procurement	15
3.2 Step 2: Approach the market	16
3.2.1 Procurement details	17
3.2.2 Specify requirements	17
3.2.3 Key performance indicators	17
Checklist – Approach to market	19
3.3 Step 3: Evaluate and engage	20
3.3.1 Procurement details	21
Checklist – Evaluate and engage	21
3.4 Step 4: Report and manage	22
Checklist – Report and manage	22

<b>4 RFX response schedules</b>	<b>23</b>
Criteria: Products that contain recycled material	24
<b>5 Evaluation</b>	<b>26</b>
Snapshot of good evaluation practices	26
Mandatory criteria	26
Comparative criteria	27
Commercial criteria (value for money)	27
Tools: Scoring technical criteria	28
Example scoring scale	28
Example scoring scale – Recycled products and materials	29
Tools: Sustainability evaluation criteria – Recycled products and materials	30
<b>Glossary</b>	<b>32</b>
<b>References</b>	<b>36</b>

# 1 Introduction

## Buy Recycled Service

Sustainability Victoria's Buy Recycled Service works with councils to use more recycled materials and products in infrastructure, landscaping, parks and gardens, as part of the Recycled First Local Government program under Recycling Victoria.

To find out more about our Buy Recycled Service, visit  
[www.sustainability.vic.gov/buy-recycled-service](http://www.sustainability.vic.gov/buy-recycled-service)



**Social and  
Sustainable  
Procurement**

Environmental Sustainability



Economic Sustainability



Social Sustainability



Sustainability Victoria (SV), alongside several government departments and agencies, is delivering the Victorian Government's circular economy policy, Recycling Victoria: a new economy. This circular economy plan steps out the systemic change that's needed to cut waste and boost recycling and reuse of our precious resources. This is the Victorian Government's plan for a cleaner, greener Victoria with less waste and pollution, more jobs and a sustainable and thriving circular economy. It includes a complete overhaul of our recycling system, with reform to kerbside recycling, the introduction of a container deposit scheme, new investment in industry and the creation of waste management as an essential service.

SV is a key delivery agency supporting these changes for:

- a stronger waste and recycling industry
- improving Victoria's recycling infrastructure
- better use of materials
- innovations in Victorian business operations
- high-quality waste data and intelligence
- a new 4-bin waste and recycling system across the state.

## 1.1 Recycling Victoria and Recycled First Policy

The Recycled First Policy is delivered as part of the Victorian Government's circular economy plan, Recycling Victoria: a new economy.

The Recycled First Policy intends to optimise the use of recycled and reused materials within major transport projects, build a better understanding of the types, volumes and location of recycled and reused material use and support innovation. The Recycled First Policy applies to all major transport infrastructure projects.

Sustainability Victoria is leading the Recycled First Local Government program to:

- support councils to align procurement activities with the Recycled First Policy
- accelerate council adoption of recycled products in infrastructure and landscaping
- encourage councils to test and try recycled products
- reduce barriers to the procurement of recycled products
- challenge misconceptions of recycled materials and products and promote benefits

While the Recycled First Policy is not mandatory for local government, councils are in a unique position to leverage the learnings and momentum created by the policy and contribute to Victoria's circular economy by increasing the use of Victorian reused and recycled materials and reducing waste.

## 1.2 Buy Recycled Service

Sustainability Victoria's Buy Recycled Service focuses on maximising the use of recycled material, a key consideration within sustainable procurement. The Buy Recycled Service and the dedicated team, work with councils to use more recycled materials and products in infrastructure, landscaping, parks and gardens, as part of Sustainability Victoria's Recycled First Local Government program.

Councils have significant buying power and play a critical role in driving markets for recycled products and materials and fostering innovation. Our service leverages this opportunity and empowers councils to make confident decisions when buying recycled. For there to be a strong circular economy, we need strong markets for recycled materials and products to support industry and innovation and reduce waste.

The Service includes:

- **Buy Recycled Directory** which lists products containing recycled content that can be used in infrastructure and landscaping to provide buyers with easy access to suppliers and product options.

- **Case studies and news** about how councils have used recycled products and materials in local projects.
- **Tools, resources and masterclasses** to learn about, embed and build on best practice processes and procedures, and strengthen existing sustainable procurement activities.
- **Dedicated email** to ask questions about sustainable procurement in local government.

Visit [our website](#) for more information about our service.

### 1.3 How to use the toolkit: Procuring recycled products and materials

This toolkit is founded in accepted mainstream procurement guidance and provides best practice information. The toolkit seeks to align with the [Australian Sustainable Procurement Guide](#).<sup>1</sup>

**Copy and paste applicable sections of this toolkit, including the evaluation scoring template, into procurement planning documents, RFx response schedules and evaluation matrixes.**



Procurement  
Toolkit

The purpose of this document is to provide practical guidance to councils involved in the planning and delivery of the procurement process, seeking to include recycled products and material.

The toolkit provides a guide through the procurement cycle and highlights how you can embed recycled product considerations and requirements throughout each stage and into existing procurement documentation. It includes easy to use checklists, example scoring scales, response schedules, evaluation criteria, key definitions and background information.

This toolkit is designed to be flexible for different types of procurement activities, for example:

- For smaller procurements, lower in value, risk and complexity, only some of the recommendations may be selected.
- For larger procurements, higher in risk, value, complexity and the opportunity for innovation, all recommendations may be selected.

The toolkit is developed for council officers that are involved in the procurement of products in infrastructure, landscaping, parks and gardens including those working in:

<sup>1</sup> [Sustainable Procurement Guide](#) (DAWE:2021)

- Infrastructure
- Asset management
- Major projects
- Engineering
- Procurement
- Sustainability
- Waste
- Parks, gardens and open space
- Urban design
- Planning.

## 2 Recycled products and materials in the circular economy

### 2.1 Why are recycled products and materials important?

Consumers and community are looking to local government to take a leading role in reducing environmental impacts, committing to reduce and eliminate waste and supporting local businesses. A number of councils report significant community interest in understanding the complete lifecycle of kerbside recyclables, including how they are collected, sorted, reprocessed and made into new products and where they are featured in the local area.

Councils have the opportunity to facilitate and demonstrate these local circular systems by purchasing and using products containing recycled materials, including those collected through kerbside services. Councils have significant bargaining power as well as turnaround of goods, services and works that can directly support environmental, economic, and social outcomes.

Waste services (including recycling) is a top spend category in all of Victoria's 79 Councils. \$15 million in waste management services is delivered by Regional Cities alone per annum.<sup>2</sup> Another top spend item for councils is their roads/infrastructure spend categories. In 2021, Small Rural Shire Councils planned to spend \$247 million on roads.<sup>3</sup> Significant opportunities exist to increase use of recycled materials in council infrastructure and urban design projects.

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<sup>2</sup> [Know your Council](#) (Local Government Victoria)

<sup>3</sup> [Know your Council](#) (Local Government Victoria)

Victoria's ambitious resource recovery targets and the national ban on waste exports mean that we must process and use more recycled materials locally. Strong end markets for recycled materials such as glass, food and green waste, paper and cardboard, will ensure a more resilient recycling sector in Victoria.

## 2.2 What is sustainable procurement?

Procurement that considers and embeds responsible management and use of resources such as:

- maximising the use of recycled material, considering end-of-life recycling and preventing wastage
- reducing greenhouse gas emissions and including climate resilience measures
- ensuring suppliers minimise the environmental impact of their operations and maintain environmentally responsible policies and practices.

## 2.3 What are recycled materials and products?



Recycled  
material

materials.

Recycled materials are resources that have been recovered and reprocessed, and may be used to create new recycled products. Recycled products contain pre and/or post-consumer recycled

Post-consumer material is waste generated by household or by commercial, industrial and institutional facilities (for example, kerbside recyclables). Pre-consumer material is waste diverted from the waste stream during a manufacturing process (for example, product offcuts).<sup>4</sup>

Examples of products made with recycled material include:

- outdoor furniture, decking and bollards made with recycled plastic
- mulch and compost made with recycled food and green waste
- roads and footpaths made with recycled plastic, glass, and printer cartridges.

Using more recycled products and materials in infrastructure, construction or landscaping, and designing products that last and can be used again at end of life is a critical part of the circular economy. It accelerates markets for recycled materials, ensures valuable resources are reused and reduces waste to landfill.

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<sup>4</sup> [Supporting Government procurement of recycled materials](#) (APCO 2020)

Strong end markets can assist in reducing interruptions in the recycling industry and may positively impact service costs supporting the longevity of Victoria’s recycling system.

## 2.4 What is the circular economy?

The [Recycling Victoria policy](#)<sup>5</sup> describes a circular economy as:

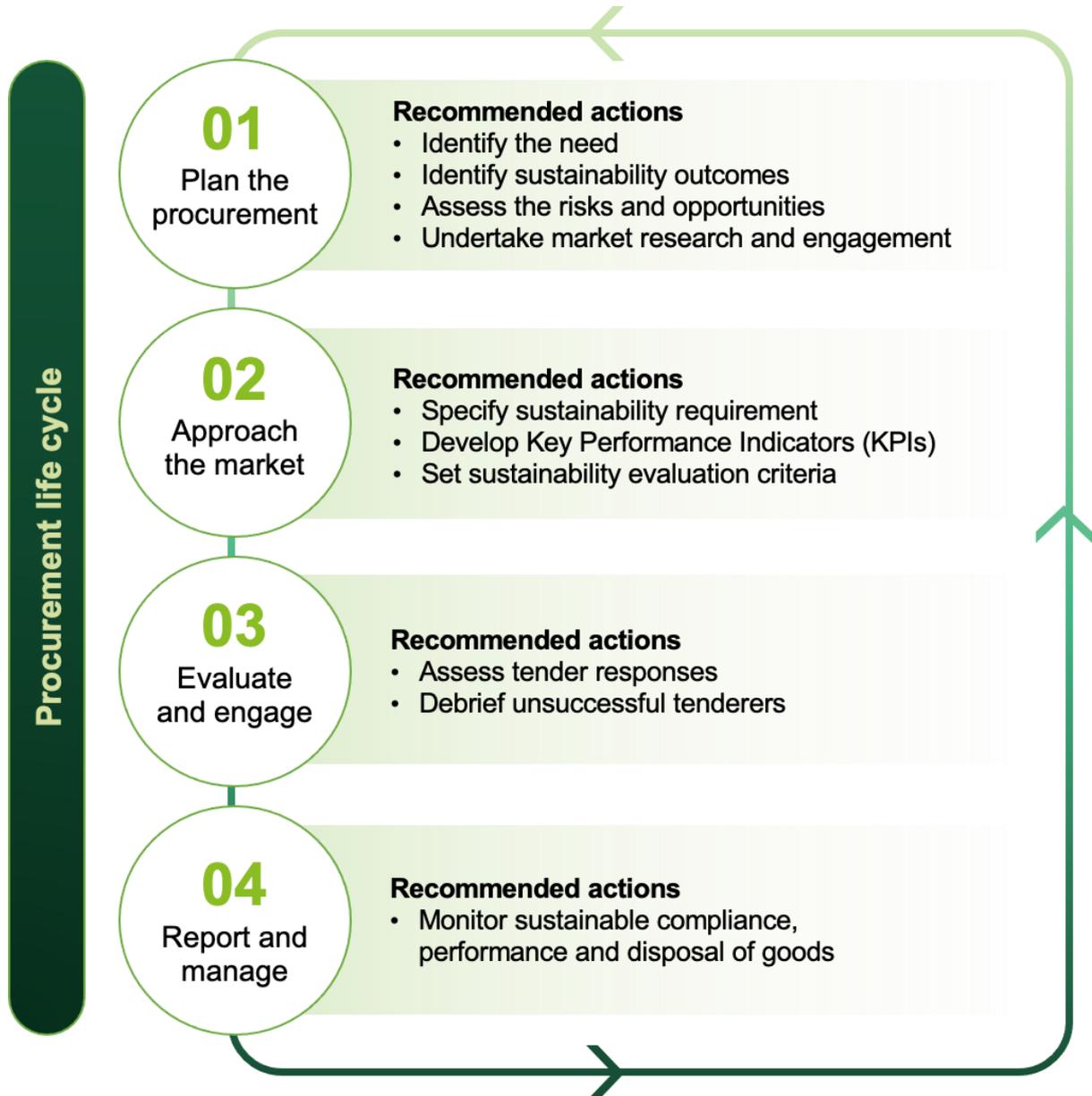
A circular economy continually seeks to reduce the environmental impacts of production and consumption, while enabling economic growth through more productive use of natural resources. It allows us to avoid waste with good design and effective recovery of materials that can be reused. It promotes more efficient business models that encourage intense and efficient product use, such as sharing products between multiple users, or supplying a product as a service that includes maintenance, repair and disposal. The value people obtain from the resources used to create goods and services increases.

It transforms our linear economy mindset—take, use and throw away—and fosters innovation and productivity that invigorates existing businesses and creates new ones, delivering more jobs and more growth for local, regional, state and global economies.

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<sup>5</sup> [Recycling Victoria: A New Economy](#) (DELWP, 2020)

### 3 The procurement of recycled products and materials in the procurement life cycle



6

<sup>6</sup> Sustainable Procurement Guide (DAWE 2021)

### 3.1 Step 1: Plan the procurement

Planning and pre-qualification: Invite only those suppliers to bid who meet either specific or general recycled materials requirements (for example, supplier must have an environmental management system with CO<sup>2</sup> reduction target).

Requirements and risks identified during the planning stage should form part of the overall procurement plan in accordance with your council's procurement processes.

To identify and assess opportunities to improve the potential sustainability outcomes of procurement, consider these questions:

- **Circular procurement:** Is it possible to include circular procurement in the scope of service? For example, some elements include prioritising reuse/repurposing of goods in the first instance, requiring the supplier to use recycled material, and ensuring that any goods used can be repurposed or are recyclable at the end of their life
- **Recycled materials:** Is recycled material used whenever possible when manufacturing the goods or undertaking a service? Are there similar goods or services, using more recycled material?
- **Reprocessing:** Does the process generate recyclable material that can be reprocessed? If not, how will the goods be disposed of?
- **Greenhouse gas emissions:** During the operational stage, do the goods or service produce excess greenhouse gas emissions, use excess energy, water, or additional resources? Could any excess be avoided?
- **Packaging:** What type of packaging is used for the goods or while undertaking the service? Does the packaging contain recycled material, can a higher content of recycled plastic, glass or paper be used and is the packaging recyclable at the end of its life?
- **Longevity:** What options are available to extend the longevity of the product for example, reuse, repair, upgrade or modify?

#### 3.1.1 Procurement details

<b>Procurement title</b>	Procurement of [insert short description]
<b>Procurement type</b>	Select: goods   services   goods & services   consultancy services
<b>Main contact</b>	List your name, team, entity for record keeping purposes

### 3.1.2 Organisational needs

The council's environmental sustainability and recycled product and material needs are:

- Insert applicable sustainability policies or procedures. Check your internal website or contact your procurement and sustainability teams to confirm.
- Insert applicable targets. For example, does your council need to meet a target for use of recycled products and materials?

### 3.1.3 Procurement outcomes

The environmental sustainability outcomes sought from this procurement are:

- Example 1: use recycled material in products  
Use of recycled material is a priority within the [National Waste Policy Action Plan](#) - See [recycled material product list](#) for specific examples
- Example 2: minimise waste to landfill
- Example 3: reduce emissions
- Example 4: optimise energy or water use

### 3.1.4 Market analysis

Research the market to identify if and how potential suppliers could deliver your outcomes. Market research can include internet searches, discussions with industry bodies and reviewing similar procurements through Local Government Victoria's (LGV) Yammer site, Local Government Professionals Special Interest Groups (LG Pro SIG), or by contacting other government entities.

If you need help identifying recycled products and materials applications or examples, contact SV's Buy Recycled Service team at:

[sustainableprocurement@sustainability.vic.gov.au](mailto:sustainableprocurement@sustainability.vic.gov.au)

Find a supplier for products containing recycled materials:

- [Buy Recycled Directory \(Sustainability Victoria\)](#)
- [Ecologiq's Supplier Map \(Ecologiq\)](#) - To request access please email: [ecologiq@roadprojects.vic.gov.au](mailto:ecologiq@roadprojects.vic.gov.au)
- [Planet Ark Recycled Products Directory](#)
- [GECA product search](#)

### 3.1.5 Environmental sustainability

Summarise the market research undertaken. This may include how the market works, the market size and maturity, competition, recent developments, supply issues, availability of alternative goods/services and innovation opportunities.

### 3.1.6 Use of recycled products and materials

Use the table to identify specific opportunities for using recycled products and materials.

	<b>Guide</b>	<b>Example A</b>	<b>Example B</b>
<b>Specific product</b>	[list recycled product or material]	Example: Road	Example: Office fit outs
<b>Product link</b>	[link to product]	Example: Buy Recycled Directory listing	Example: Buy Recycled Directory listing
<b>List examples in Australia</b>	[list examples]	(A) Road built in XYZ Council with recycled glass and concrete (B) Road built in XYZ council with recycled soft plastics, glass and toner	(A) Office workstations in XYZ council, with recycled timber, plastic, steel, and aluminium. (B) Acoustic panels with recycled plastic
<b>Other market observations.</b> <b>Any supply issues or innovation opportunities?</b>	[note market observations]	[note market observations]	[note market observations]

### 3.1.7 Recycled product and materials opportunities

List the potential benefits of using recycled products and materials. The list will help demonstrate the value-for-money case for using recycled products and materials.

Add or delete opportunities as applicable.

- [Contributes to meeting organisational needs, such as sustainability policies or targets]
- [Contributes to Australia's transition to a circular economy]
- [Diverts waste from Australian landfill]
- [Supports Australian recycling which in turn supports job creation and industry growth]
- [Offers superior performance or quality compared to competitor products]
- [Lower maintenance cost over the product's life cycle compared to products made with virgin material]
- [Meets community expectations and showcases innovation]
- [Insert other opportunities as applicable]

## Checklist – Plan the procurement

1 Checklist – Plan the procurement	Done
1.1 Have you considered alternatives to purchasing? <i>For example, repairing, reusing, leasing or hiring.</i>	<input type="checkbox"/>
1.2 Have you identified and prioritised the sustainability outcomes of your procurement? <i>For example, reduce use of water, reduce demand of raw materials and natural resources, reduced waste and by-products.</i>  Have you considered the capacity of your procurement to contribute to your council's objectives and targets?	<input type="checkbox"/>  <input type="checkbox"/>
1.3 Have you identified the risks and opportunities?  Have you considered sustainability in your risk assessment?  Have you prioritised the sustainability risks?	<input type="checkbox"/>  <input type="checkbox"/>  <input type="checkbox"/>
1.4 Have you researched the sustainable options available in the market? <i>For example, the origin of the product, resources and materials used, the end of life of the product.</i>  If appropriate, have you consulted the market to encourage innovation?  When planning your procurement, have you considered innovation in sustainable goods and services?	<input type="checkbox"/>  <input type="checkbox"/>  <input type="checkbox"/>
1.5 Have you nominated a multi-functional project team that can leverage expertise across the organisation and facilitate a stronger outcome? <i>For example, consider inviting representatives from procurement, urban design, sustainability, asset management and engineering.</i>	<input type="checkbox"/>

## 3.2 Step 2: Approach the market

This step outlines the actions you can take to introduce recycled material requirements into the relevant Approach to Market (ATM) documentation. An approach to market can be anything from a simple quote to a large Request for Tender (RFT) and will depend on the thresholds and processes set out in your council's procurement policy.

Once the sustainability requirements for your procurement have been defined, they can be introduced to potential suppliers in relevant documentation, such as:

- Request for Quote
- Request for Tender
- Expression of Interest documentation
- Associated Key Performance Indicators (KPIs) and evaluation criteria.

Within your ATM documentation, requirements can be categorised as either mandatory, minimum or desirable. Examples of different requirements you could incorporate in your ATM, include:

- A **desirable requirement** sets a requirement for a goods or services provider that is wanted by the council but not compulsory (for example, the offsetting of carbon emissions from transport is desirable).
- A **minimum requirement** sets the lowest level to be met and may be exceeded (for example, a minimum requirement for packaging to contain at least 50 per cent recycled material).
- A **mandatory requirement** is a requirement that must be met (for example, setting a requirement that a building must have a 5-star Green Star certified rating). If this is not met - for example if all offered goods must be energy star rated - they will not be included in the evaluation.

Wherever possible, you should also incorporate any relevant agreements for the management of packaging and end-of-life take-back of goods into these requirements.

Key points to consider:

- ✓ Weighting of individual evaluation criteria needs to be done on a case-by-case basis.
- ✓ Consider all the procurement priorities relevant to your specific procurement activity.
- ✓ Remember, price is not the sole factor when assessing value for money.
- ✓ You must consider the relevant financial and non-financial costs and benefits, including products containing recycled material and whole of-life costs.

### 3.2.1 Procurement details

<b>Procurement title</b>	Procurement of [insert short description]
<b>Procurement type</b>	Select: goods   services   goods & services   consultancy services
<b>Main contact</b>	List your name, team, entity for record keeping purposes

### 3.2.2 Specify requirements

When developing the ATM documentation, you need to consider how to incorporate the sustainability priorities identified for your procurement. The scope, scale and risk of the procurement will guide the degree to which recycled products and materials requirements will form a part of the ATM. Sustainability priorities and risks can be included in the ATM documentation using any of the following:

- physical or descriptive requirements, which specify characteristics of the goods or service (for example, contain recycled material).
- functional requirements, which specify the proposed function for the goods or service to fulfil (for example, specify the function of the surface of the road to be constructed).
- performance requirements, which define the performance standards to be met by the goods or service (for example, percent of waste diverted from landfill).

Some examples of recycled products and material requirements you may like to consider include:

- plastic, paper and glass packaging contain a set percentage of recycled material, aligned with the Australian Packaging Covenant Organisations' National Packaging Targets;
- supplies, furniture, and fittings include recycled material and can be recycled at the end of their life

### 3.2.3 Key performance indicators

The development of key performance indicators (KPIs) allows for the performance or success of the recycled material/ content requirement to be measured and tracked throughout the duration of a contract. These requirements must be specified in the ATM documentation.

Once you have identified the recycled material/ content requirements to be included in the contract—as KPIs or reporting requirements—you should seek legal advice from your council's legal team / third party legal advisor before including them in the ATM documentation.

Set KPIs that are ‘Specific, Measurable, Achievable, Realistic and Timely (SMART)’ to ensure they can be tracked and monitored appropriately.

**Example of recycled material KPIs:**

<b>KPIs</b>	<b>Description</b>	<b>Example</b>
<b>Impact</b>	<b>Identify key impacts</b> <i>(For example use of virgin materials, greenhouse gas emissions, toxic waste, water consumption)</i>	Use of virgin material
<b>Action to address impact</b>	<b>Include any comments about the issue</b>	Introduce recycled material and explain how impacts compare with applicable virgin material
<b>KPI</b>	<b>Identify KPI</b> <i>(For example, percentage of recycled material in product, percentage use of recycled water, percentage of waste recovered)</i>	Percentage of recycled material in product
<b>Target</b>	<b>Set target for overall performance</b> <i>(For example, all products should include a minimum of 20% recycled material)</i>	20%
<b>Actual (calculation sample)</b>	<b>How the KPI and the target will be compared</b> <i>(For example, weighted average of percentage of recycled material in products purchased under contract)</i>	Weighted average of percentage of recycled/compostable material
<b>Responsible</b>	<b>Person responsible for reporting of the KPI</b>	Name and title
<b>Accountable</b>	<b>Person accountable for the KPI</b>	Name and title

## Checklist – Approach to market

2 Checklist – Approach to market	Done
<p>2.1 Have you complied with your Council’s sustainability policies?</p> <p>Have you developed and included recycled material/content specifications, when defining the requirement and corresponding evaluation criteria?</p> <p>Within value-for-money considerations, have you chosen the option that contains recycled products and materials, and/or goods that can be reused, repaired or recycled at the end of their life?</p> <p>Have you determined which recycled material or other sustainability requirements are mandatory, minimum and desirable?</p> <p>Have you identified what information is required from potential suppliers to make robust decisions based on whole-of-life costs for your council?</p> <p>Have you specified an end-of-life approach to ensure the maximum percentage of materials is recycled?</p> <p>Have you included appropriate questions in the RFX documentation that can be used to evaluate how the potential suppliers will manage sustainability risks and opportunities?</p> <p>Have you ensured that KPIs and requirements related to sustainability are clearly set out in the contract, alongside necessary incentives to ensure the supplier meets their sustainability obligations?</p> <p>Have you identified any relevant ecolabels, certifications, specifications and standards to be applied to the contract?</p>	<p><input type="checkbox"/></p>
<p>2.2 Have you developed relevant KPIs for the contract to monitor supplier and product performance?</p>	<p><input type="checkbox"/></p>
<p>2.3 Have you developed appropriate evaluation criteria to assess responses to the sustainability requirements?</p>	<p><input type="checkbox"/></p>

### 3.3 Step 3: Evaluate and engage

Evaluation: Submissions must respond to the sustainability requirements, including those related to recycled products. The responses contained in the offers will be considered in evaluating the environmental sustainability and their associated benefits and risks to select the successful supplier.

For example, ask suppliers to propose the most energy efficient products within their offer and these will be scored higher, as part of the evaluation process.

Use this tool to inform your overall value for money evaluation, of your procurement. You could consider extracting elements from this tool to add to your overall evaluation template.

You must assess tender responses in accordance with the evaluation criteria detailed in the Approach to Market documentation and evaluation plan. A council must comply with their procurement policy required in accordance with s108 of the Local Government Act 2020 when evaluating tender responses.

Achieving value for money is the core principle of local government procurement. Price is not the sole factor when assessing value for money. Lower costs of a product or service may be overshadowed by much higher economic, environmental or social costs over the whole life of the product or service. You must consider relevant financial and non-financial costs and benefits of each response. This includes the environmental sustainability of the proposed goods or services, such as use of recycled material.

Whole-of-life costs take into consideration the total cost of a product over its lifetime, including acquisition, maintenance, operation and disposal costs. There are several tools you can use to help assess whole-of-life costs of the procurement. Two commonly used tools are the Life Cycle Cost (LCC) model and the Materials Circularity Index (MCI)<sup>7</sup>.

**To evaluate tender responses with an LCC tool and to enable you to calculate the MCI value for goods, you must request relevant information from potential suppliers in the ATM documentation.**

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<sup>7</sup> <https://ellenmacarthurfoundation.org/material-circularity-indicator>

### 3.3.1 Procurement details

<b>Procurement title</b>	Procurement of [insert short description]
<b>Procurement type</b>	Select: goods   services   goods & services   consultancy services
<b>Main contact</b>	List your name, team, entity for record keeping purposes

<b>1. Environmental sustainability requirement/s</b>
[Insert the environmental sustainability requirement/s used in the Approach to Market document for your reference]
<b>2. Expected response to environmental sustainability requirement/s</b>
[Outline the key elements you would expect in a response to products containing recycled materials as well as other environmental sustainability requirement/s. This will help you clarify your thresholds for scoring or ranking responses.]
<b>3. Environmental sustainability weightings</b>
[Prepare weightings and discuss this with the evaluation panel members (if you are using a panel). It is important evaluators have a baseline of understanding of what the criteria are aiming for.]

### Checklist – Evaluate and engage

<b>3 Checklist – Evaluate and engage</b>	<b>Done</b>
3.1 Have you chosen a method to assess whole-of-life costs for your procurement?	<input type="checkbox"/>
Have you included Life Cycle Cost or Materials Circularity questions in the tender documentation (if you are using either of them)?	<input type="checkbox"/>
Within value-for-money considerations, have you chosen the option that contains recycled products and materials, or goods that can be reused, repaired or recycled at the end of their life?	<input type="checkbox"/>
Have you ensured that KPIs and requirements related to sustainability are clearly set out in the contract, alongside necessary incentives to ensure the supplier meets their sustainability obligations?	<input type="checkbox"/>

3.2 When debriefing unsuccessful suppliers, did you discuss sustainability criteria that were not met?	<input type="checkbox"/>
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### 3.4 Step 4: Report and manage

Monitor the supplier’s performance after the contract is awarded and ensure the requirements for recycled products and materials are implemented.

Any standards and specifications, including KPIs and compliance measures, identified in the ATM must be reflected in the contract and monitored throughout the life of the agreement.

Ask for relevant information from the supplier as agreed in the contract and ensure the supplier reports on the KPIs at the intervals agreed in the contract. Areas where the supplier has not met the contracted requirements should be addressed in accordance with the contract. Advice as to how to address underperformance and non-compliance should be sought from your procurement or legal teams.

The following examples could be used to monitor the compliance of the requirements around products with recycled material within a contract:

- Asking a supplier to provide their annual environmental or sustainability report or report on key environmental performance indicators during the term of the contract.
- Asking the supplier for a quality test of the end product, service or goods according to specified KPIs.
- Perform regular site-visits to monitor the supplier’s performance.
- Schedule ongoing contract meetings, for example on a monthly or quarterly basis, to review performance against KPIs and targets.
- Asking for regular reports tracking improvements in the supply chain or identifying potentially adverse impacts.

These requirements should be outlined in the initial approach to market documentation and included in the final contract.

### Checklist – Report and manage

4 Checklist – Report and manage	Done
4.1 Have you followed up on KPIs and reporting requirements during the delivery of the contract to ensure the supplier is compliant?	<input type="checkbox"/>
4.2 Have you followed up to ensure the goods are being recycled, reused or disposed of in the most sustainable way?	<input type="checkbox"/>

## 4 RFX response schedules

Response schedules must be structured around the specific procurement project objectives and align to statement of requirements ('specifications') contained in the RFX document. **Request For X** refers to **Request For Quotation (RF-Q)**, **Request For Tender (RF-T)** and **Request For Price (RF-P)** (provided RFP is an applicable terminology used by the council).

Where applicable, use the below text in the Part B – Specifications Part of the RFX document to provide tenderers<sup>8</sup> with contextual information on the objectives your council is seeking to leverage with the procurement activity.

### RFX contextual information

Tenderers will be evaluated on how they can assist Council to achieve its sustainable procurement goal/s through this procurement. Tenderers are encouraged to adopt responsible business policies and practices (including considering the social and sustainable impact of their goods and services).



#### RFX Response Schedules

The following questions are designed to assess supplier submissions for products that contain recycled materials. In some cases, sustainability issues that are specific to a product can be addressed with those schedules, however in other cases they may need to be expanded. For example, if it is determined that the production process for a product that uses recycled material is energy and water intensive, the schedule could be refined to request the supplier addresses the water and energy impacts of production. This will assist the assessment of total cost and suitability. There will be differences in the way recycled materials are used and also the impact.

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<sup>8</sup> The term tenderer does not exclusively refer to large procurements; in this context here it refers to a supplier who responds to either a tender or a quotation sent out by council. Consequently RFX refers to RF-Q, RF-T and RF-P (provided RFP is an applicable terminology used by the council).

## Criteria: Products that contain recycled material

Evaluation scoresheet reference	RFx response questions
A 1 & A 2	<p>All products must be manufactured with materials that are recovered or diverted from the solid waste stream. Particular attention is paid to those items produced from materials that are a significant component of the waste stream.</p> <p><b>[Include a brief product description]</b></p>
B1	<p>If your price is higher than the average product with virgin content and materials, please indicate a percentage of price variation.</p> <p><b>[Include percentage and short description]</b></p>
B 5	<p>Please list third party certifications including relevant ecolabels that incorporate recycled material for the products you offer in this procurement.</p> <p><b>[Include list of certifications]</b></p>
B 2	<p>What level of recycled material has been used in the process of producing the product that contain recycled materials?</p> <ul style="list-style-type: none"> <li>a. 90 – 100%</li> <li>b. 70 – 89%</li> <li>c. 50 – 69%</li> <li>d. 30 – 49%</li> <li>e. 10 – 29%</li> <li>f. Less than 10%</li> </ul> <p><b>[Please describe]</b></p>
B 3	<p>Please provide a list of any products required in this procurement that contain problematic or unwanted plastic content that should be avoided?</p> <p><b>[Include product list]</b></p>
B 3	<p>Please describe the long-term performance of the recycled material or provide a data sheet to outline the performance. This is to assess the level of maintenance required compared to a product containing virgin content or materials.</p> <p><b>[Include a data sheet or brief description, for calculation of Life Cycle Cost (LCC) or Material Circularity Indicator (MCI)]</b></p>

B 3	<p>If you don't have a data sheet or information about LCC or MCI, please demonstrate how your product can reduce costs of acquisition, maintenance, operation, or disposal.</p> <p><b>[Include brief description]</b></p>
B 4	<p>Does your organisation have a sustainable procurement policy, that refers to recycled products and materials?</p> <p><b>[Yes/No]</b></p> <p>If your organisation has a sustainable procurement policy, please outline how the prioritisation of recycled products and materials is encouraged and managed (in the internal operations and within your supply chain).</p> <p><b>[Please describe]</b></p> <p>If your organisation uses recycled materials can you provide more information:</p> <ol style="list-style-type: none"> <li>a. How does your organisation identify and manage the use of recycled materials in internal operations and supply chains?</li> <li>b. How are recycled products used in internal operations and supply chains, verified or certified?</li> <li>c. Is your organisation working with external expert/s such as universities and industry bodies?</li> <li>d. Does your organisation have any initiatives to address the use and/or increase of use of products containing recycled materials and their impacts across the supply chain?</li> <li>e. How much of your overall business operations are focusing on the use of recycled materials? <i>For example, if all your products are produced using recycled materials then indicate 100%.</i></li> </ol> <p><b>[Include brief description and proposed approach]</b></p>
C3	<p>Do these products meet any relevant standards and specifications?</p> <p><b>[Include list of relevant standards and specifications]</b></p>

## 5 Evaluation

Evaluation is a formal, documented stage of the procurement cycle. The evaluation process enables criterion responses to be compared and measured against council's standards, so that a preferred tenderer can be identified. Evaluation is a mechanism to make procurement decisions based on value for money, probity and fair dealing.

### Snapshot of good evaluation practices

#### GATE 01



##### Assess mandatory criteria

- Mandatory criteria = must meet requirements
- Pass / Fail assessment
- Eliminate responses that fail

#### GATE 02



##### Assess comparative criteria

- Comparative Criteria = Qualitative (non-price)
- Weighted scoring assessment
- Shortlist on Comparative Criteria

#### GATE 03



##### Assess value for money

- Determine relative Total Cost of Ownership (TCO)
- Determine Price Ratio = Relative TCOs
- Value for Money = Comparative Criteria Score \* Price Ratio



TIP!

**Non-conforming tender responses** can sometimes be a source of information about the market or provide innovative solutions not originally considered as part of the tendering process. For example, the council specifies a product with recycled content and the tenderer proposes an alternative sustainable product, material or technology that requires a redesign of surrounding components.

### Mandatory criteria

#### GATE 01



Mandatory criteria are 'pass' or 'fail' hurdle requirements. If a respondent does not meet or have the mandatory criteria, then the submission cannot proceed past this first point of evaluation. The threshold to pass this stage needs to be transparent and definitive. The types of items that can be mandatory criteria include:

Specific to the company	Specific to the product and materials
Insurance cover, for example professional indemnity and/or public liability Occupational health and safety compliance Approvals, registrations or standards such as quality assurance accreditation (for example, ISO 9001) Certifications, professional registrations or memberships Carbon neutral accreditation	Capacity or availability Minimum % of recycled content Meets product specifications

## GATE 02



### Comparative criteria

Comparative criteria provide ways for tenders to be measured and differentiated. They are factors that can be compared to a benchmark standard and given a value score or rating. It is important to get the right balance of targeted criteria - enough to give respondents an opportunity to outline their case and the right ones for Council to be confident that its procurement requirements are understood and can be met.

There are two categories of comparative criteria and they have distinctive ways of being evaluated:

- Technical (non-price or qualitative)
- Risk assessed (Australian or International Standards (ISO 14001, 14062, 14044))

### Commercial criteria (value for money)

## GATE 03



This relates to the pricing proposal of the tender. The evaluation of the commercial criteria can be more complex than scoring the technical criteria. Councils need to be aware of the total cost of ownership or whole of life cost to make an informed assessment of the combined value for money proposition. This means considering factors like ongoing administration or maintenance costs. It is recommended to collaborate with Council's own procurement team to align with existing policies and processes (for example threshold may impact the type of information requested to tenders).

It can include:

- Whole-of-life costs including capital, operational and disposal costs

- Lump sum pricing
- Schedule of rates.

## Tools: Scoring technical criteria



### Tools: Scoring Technical Criteria

A scoring scale is a generic tool to guide the scoring of comparative criteria. The following table is an example scoring scale and can be used as the basis for scoring.

### Example scoring scale

Score	Definitive	Value judgement
5	<b>Superior response</b>	Exceeds the requirement. Comprehensively documented with all claims adequately detailed and substantiated.
4	<b>Credible response</b>	Highly convincing and credible. Response complies and meets the specification requirement. Complete documentation.
3	<b>Credible with shortcomings</b>	Minor omissions. Convincing and credible. Meets the specification requirement.
2	<b>Acceptable</b>	Meets the specification requirement. Minor deficiencies and shortcomings which could be resolved with the tenderer's clarification. Would be manageable with minor changes and/or additional information at contract negotiation stage.
1	<b>Barely acceptable</b>	Does not fully meet specification requirements. Some responses are unworkable. Requires additional information from tenderer to progress evaluation. Could be manageable with changes to tenderer's responses during negotiation.
0	<b>Unacceptable</b>	Does not fully meet the specification requirements. Has shortcomings and deficiencies not resolved by the tenderer. Requires additional information from tenderer to progress evaluation.



Use an **evaluation rubric** as a stronger tool for the evaluation of tenders. The rubric is targeted and tailored to provide specific guidance for each of the evaluation criteria. It might be accompanied by a word-pictures scheme indicating what 'poor' or 'good' looks like for each criteria.

## Example scoring scale – Recycled products and materials

### Comparative criteria (Technical):

Example for third party certifications including relevant ecolabels that validate recycled content / materials claims:

Score	Example of review
5	Tenderer has provided two different ecolabels to validate all recycled content.
4	Tenderer has provided one ecolabel to validate part of the recycled content.
3	Tenderer has started the process of obtaining ecolabel and provided detailed, well supported information.
2	Tenderer has provided some level of confidence of their journey towards obtaining an ecolabel.
1	Tenderer has attempted to provide some evidence to satisfy the criterion, but evidence is not acceptable.

Example for demonstrating how products and or services minimise whole life costs to the Council:

Score	Example of review
5	Tenderer used Life Cycle Cost or Material Circularity Indicator (MCI) tools.
4	Tenderer can demonstrate reduction of costs of acquisition, maintenance, operation, and disposal costs.
3	Tenderer can demonstrate reduction of 3 of the 4 costs of acquisition, maintenance, operation, and disposal costs.
2	Tenderer can demonstrate reduction of 2 of the 4 costs of acquisition, maintenance, operation, and disposal costs.
1	Tenderer can demonstrate reduction of 1 of the 4 costs of acquisition, maintenance, operation, and disposal costs
0	Tenderer cannot demonstrate reduction of costs of acquisition, maintenance, operation, and disposal costs

## Tools: Sustainability evaluation criteria – Recycled products and materials



Tools: Sustainability Evaluation Criteria

The following lists are not exhaustive and should be used as a basis for the development of bespoke evaluation criteria.

Examples of **qualifying** evaluation criteria for products containing recycled material

Criteria type	Criteria	Score	
		Pass	Fail
Qualifying	Product specifications	The product meets the specifications	The product does not meet the specifications
Qualifying	Contains [XX]% recycled content and materials (Note that percentage will vary depending on product and material)	The product meets or exceed the percentage	The product does not meet the percentage

Examples of **quantifying** evaluation criteria for recycled material:

Criteria type	Criteria	Score		
		Acceptable	Acceptable with risk mitigation	Not acceptable
Quantifying	Meets required Australian or International Standards (ISO 14001, 14062, 14044)	Tenderer provided copy of certification	Tenderer does not have a certification but can demonstrate alignment with standard	Tenderer does not meet standards
Quantifying	Provide evidence of quality of recycled content or materials vs virgin content or materials	Tenderer demonstrates same level or higher level of quality of recycled	Level of quality is acceptable with certain mitigation	Level of quality is unacceptable

		content		
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Weighting of individual sustainability criterion needs to be done on a case-by-case basis. You need to consider all the procurement priorities relevant to your specific procurement activity. Remember, price is not the sole factor when assessing value for money. You must consider the relevant financial and non-financial costs and benefits, including sustainability and whole-of-life costs.

# Glossary

Term	Definition
<b>Approach to market documentation (ATM)</b>	As defined in the Council's procurement policy
<b>Circular procurement</b>	Circular procurement supports a circular economy. Circular economy is the opposite of a linear 'throw away' society model, which depletes the resources of our planet and our economy. In a circular economy, nothing is wasted, rather it gets reused or transformed. At the broadest level, circular economy policies aim to change patterns of natural resource use in the economy (make, use, dispose) in order to achieve sustainable growth by slowing, narrowing and closing material loops (maintaining the value of resources for as long as possible). Taken from <a href="#">WRAP and the circular economy</a>
<b>Council Procurement Policy</b>	The framework under which the council governs and undertakes its own procurement. It is required in accordance with the Local Government Act 2020 s108, s109. Council staff performing duties in relation to procurement must act in accordance with its procurement policy.
<b>Ecolabels</b>	Ecolabels provide information on environmental and health standards for specific product categories. Ecolabels are usually awarded by an impartial third party for specific products or services that have been independently determined to meet transparent criteria based on life cycle considerations, in contrast to other 'green' symbols, or claim statements developed by manufacturers and service providers.
<b>Environmental Management System</b>	A framework which brings an organisation's environment-related elements together into an overarching management strategy through planning, implementing and reviewing efforts to reduce environmental impacts.
<b>Environmental sustainability</b>	State of a given system, including environmental and economic aspects, in which the needs of the present are met without compromising the ability of future generations to meet their own needs.

<b>Environmental Sustainability Plan</b>	A framework which outlines the measures and activities an organisation will undertake to satisfy environmental sustainability requirements or goals within nominated timeframes.
<b>Greenwash</b>	Greenwash is the practice of making false, misleading and/or deceptive claims about the environmental practices of a company or the environmental attributes or benefits of its products or services. Greenwash is often unintentional and can include claims that are vague, irrelevant or inaccurate or that only tell part of the story about the environmental impacts of a product.
<b>International Organization for Standardization (ISO)</b>	A non-government international organisation comprised of various representatives from national standard organisations. ISO develop and publish international standards. ISO:20400:2017 is the standard for sustainable procurement.
<b>Life Cycle Cost (LCC) model</b>	The LCC methodology is one tool available for practical support in calculating whole-of-life costs.
<b>Material Circularity Indicator (MCI)</b>	The MCI is an assessment tool available that helps to identify the circular value of products and materials. It assesses trade-offs between material circularity and the economic, environmental and societal objectives of procurements.
<b>Problematic plastics</b>	Can include plastics that are difficult to collect/recover for reuse or recycling, or include material that hinders, disrupts or obstructs opportunities to recover other materials. There may be problematic plastics specific to different industries.
<b>Procurement</b>	As defined in the Local Government Act 2020, procurement is the whole process of acquisition of external goods, services and works. It can include planning, design, standards determination, specification writing, preparation of quotation and tender documentation, selection of suppliers, financing, contract administration, disposals, and other related functions. It also includes the organisational and governance frameworks that underpin the procurement function.
<b>Recycled material</b>	As defined in AS 14021:2018, recycled material is a proportion by mass, of recycled material in goods or packaging. Recycled material can be either pre-consumer materials, diverted from waste during the manufacturing process, or post-consumer material, generated by households, commercially, or industrial and institutional facilities.

<b>Requirements</b>	Requirement is the description of the Goods and Services described in:  the section of a Council's Approach to Market with the heading 'Specifications or Scope of Works/ Services'.
<b>Reverse logistics</b>	Reverse logistics is the process of moving goods from their typical final destination for the purpose of capturing value (for example, re-use, refurbish or recycle) or proper disposal (for example, landfill).
<b>Specification</b>	A description of the features of the goods and services to be procured.
<b>Standard</b>	Published documents that set out specifications and design procedures to ensure products and services consistently perform safely, reliably, and the way they're intended to.
<b>Supply chain assessment</b>	Some goods or services can have long supply chains. For example, parts of the process of manufacturing IT equipment can be done in developing countries. There may be risks that environmental protection or labour rights are not respected during the manufacturing or subcontracting process. Assessing the environmental and social credentials of a supplier can extend to ensuring that the supply chain also meets the same environmental and social requirements.
<b>Sustainability</b>	Sustainability maintains or enhances the wellbeing of society over time, and therefore requires that the total economic, social and natural capital is maintained or improved for future generations.
<b>Sustainability impact</b>	The environmental and social impact of the goods or services throughout their lifetime.
<b>Sustainability impact assessment</b>	Assessment of the degree of impact a good or service will have on the environment or society. Used to determine the priority of sustainability considerations in a procurement.
<b>Sustainable development</b>	Development that meets the needs of the present without compromising the ability of future generations to meet their own needs.
<b>Sustainable procurement</b>	Sustainable procurement looks beyond the up-front cost to make purchasing decisions based on the entire life cycle of the goods and services, taking into account associated costs, environmental and social risks and benefits, and broader social and environmental implications.

<b>Terms used in this guide</b>	<p>Potential supplier (might respond to a tender)</p> <p>Tenderer (has applied to a tender or request for quotation)</p> <p>Supplier (has entered into a contract with the Council)</p>
<b>Value for money</b>	<p>Achieving value for money is a core procurement principle. Price is not the sole factor when assessing value for money. This means that all relevant financial and non-financial costs and benefits must be considered over the entire life of the procurement. Relevant financial costs and benefits include environmental sustainability.</p>
<b>Waste Management Plan</b>	<p>A framework to manage and mitigate waste generation and resource consumption for a specific procurement or overall organisation. The Waste Management Plan describes the principles, procedures and management of resources and waste.</p>

## References

The table below provides a list of the information sources reviewed for the development of this resource.

Documents	Published by	Year
<a href="#"><u>Integrating sustainability into the procurement process</u></a>	QLD Government	2018
<a href="#"><u>ISO 20400</u></a>	ISO	2017
<a href="#"><u>Know your Council</u></a>	LGV	
<a href="#"><u>Local government recycled procurement report</u></a>	MWRRG	2021
<a href="#"><u>Material Circularity Indicator</u></a>	Ellen Macarthur Foundation	
MAV Evaluation Guide	MAV	2017
Procurement of materials with recycled content	Sustainability Victoria	2019
<a href="#"><u>Recycling Victoria: A new economy</u></a>	DELWP	2020
<a href="#"><u>Supporting Government procurement of recycled materials</u></a>	APCO	2020
<a href="#"><u>Sustainable Procurement Guide</u></a>	DAWE	2021
<a href="#"><u>The Procura+ Manual</u></a>	ICLEI European Secretariat	2016