Case Study: TAFE Western
Sustainable Supply Chain Management

6th Local Government and Public Sector
Building Maintenance and Facility Management Conference

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TAFE NSW Western Institute
Today’s Presentation (1)

- TAFE Western – about us

- Sustainable practice at TAFE Western

- What do we mean by ‘sustainable procurement’?

- Sustainable procurement:
  - What’s our interest?
  - The NSW GREP
  - Major program areas

- Sustainable procurement and waste management
Today’s Presentation (2)

• The ‘Wet Area Procurement Project’:
  • Background and drivers
  • Preliminary analysis
  • Design and implementation
  • First year results
  • Some things we learned along the way

• Sustainable procurement @ TAFE Western – where to next?
Sustainable Practice at TAFE Western (1)

• By 2011, the existing sustainability portfolio had been in place for ~five years

• Many good ideas, a high level of invested effort and some award-winning initiatives

• But the magic was dying:
  • Sustainability viewed as an ‘add on’
  • Projects often ad hoc, short-lived and many left unfinished
  • Increasing staff and community disengagement
  • No strategy, governance architecture, integrated framework or monitoring system
  • Staffing and funding insufficient
  • No public or industry profile
  • Not meeting external compliance management and reporting requirements
  • Some serious risk management issues starting to emerge:
    • Our business was not aligned with market trends and standards
    • Our business was not meeting client and community expectations and requirements
    • Loss of key staff
    • Reduced competitive advantage
    • Damage to our reputation
Sustainable Practice at TAFE Western (2)

- Refocus – TAFE Western as a responsible business that is responsive to change

- Bring it back to TAFE Western’s vision to provide education and training that changes lives →
What is sustainability? How do we do it? Are we influencing behaviour? Are we changing lives?

- Strategic Priority → demonstrate leadership in environmental sustainability

- Sustainability Principles →
  - Core business
  - Participation and shared responsibility
  - Responsiveness
  - Openness, Transparency and Accountability
  - Caring for Country – Aboriginal concepts of sustainable practice
  - Practicality
  - Systems Integration
  - Resource Stewardship

- Results to date: sustainability initiatives since FY 11/12 have generated savings for TAFE Western of **$2,360,151**
# TAFE Western Strategic Plan 2015-2018

## Sustainability Charter

### Guidance and Compliance Frameworks
- International Standards
- National and State Policies, Plans and Targets
- Australian Skills Quality Authority
- National Training Packages

### Benchmarking Frameworks
- AccountAbility
- Global Reporting Initiative
- Learning in Future Environments (LiFE) Index

## Sustainability Plan

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<td>Sustainability@TAFE Western</td>
<td>Biodiversity</td>
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<td>Reporting and Monitoring Accountability</td>
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<td>Champion’s Networks</td>
<td>Heritage Sites</td>
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**Recognition** – NSW Government Sustainability Advantage Program

[Source: www.tafewestern.edu.au]
What do we mean by Sustainable Procurement?

• United Nations Environment Programme Taskforce on Sustainable Public Procurement:

   “Sustainable procurement is a process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole of life basis in terms of generating benefits not only to the organisation, but also to society and the economy, whilst minimising damage to the environment”

• Key considerations for TAFE Western include:
  
  • Energy and water efficiency
  • Recycled content / highly recyclable / biodegradable
  • Environmental certification
  • Australian designed and manufactured

• NO:
  
  • Worker exploitation / modern slavery / child labour
  • Other human rights abuses (e.g. displacement of local people – conflict mining)
  • Poor local production and supply chain management (e.g. environmental pollution, emissions management)
  • Greenwashing
  • Price fixing
Sustainable Procurement – What’s Our Interest?

- **Commitment to being a responsible business**
  - We are currently a Silver Partner of the NSW Government’s Sustainability Advantage Program - commitment to environmental and social and economic sustainable practice

- **2015 climate change risk assessment**
  - Supply chain cost – product pricing and transport costs

- **Sustainable infrastructure – design and construction**
  - Mudgee Learning Resource Hub 5 Star Green Star Education design v1 certified rating – first of its kind in TAFE NSW and TAFE Western benchmark
  - Sustainable procurement strategy – design, build and fitout

- **Waste management**
  - Reduce the volume of material coming into the business that then needs to be dealt with as waste

- **Staff productivity**
  - Efficient use of staff time in conducting purchasing activities
**Sustainable Procurement – The NSW GREP**

Purchase of goods and services must also comply with the environmental standards in the [NSW Government Resource Efficiency Policy](https://www.environment.nsw.gov.au/)

<table>
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<tr>
<th>Item</th>
<th>Energy Efficiency (min)</th>
<th>Water Efficiency (min)</th>
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<tbody>
<tr>
<td>Refrigerator</td>
<td>2 stars</td>
<td>N/A</td>
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<tr>
<td>Combo fridge/freezer</td>
<td>2.5 stars</td>
<td>N/A</td>
</tr>
<tr>
<td>Dishwasher</td>
<td>4 stars</td>
<td>4 stars</td>
</tr>
<tr>
<td>Washing machine</td>
<td>3 stars</td>
<td>4 stars</td>
</tr>
<tr>
<td>Freezer</td>
<td>2.5 stars</td>
<td>N/A</td>
</tr>
</tbody>
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- Any work involving paints, sealants or glues etc must use products with no or low volatile organic compound specifications – this must be checked prior to work commencing
- **Purchase of bar fridges is not permitted**
- Where our standards exceed the GREP, ours take precedence
Sustainable Procurement – Major Program Areas (1)

- **Paper** → purchasing limited to certified carbon neutral / minimum 50% recycled content
  - FY 14/15:
    - Reduction in total purchased weight by 27 tonnes to 126 tonnes – 18% decrease
    - Reduction in total cost by $7,913 to $49,636 – 14% decrease
    - Increase in proportion of recycled content by total purchased weight to 77% – 6% increase

- **Canteen tender** →
  - No Styrofoam - replace with pulp products such as bamboo, recycled paper, waste wood, comstarch, bagasse (sugarcane byproduct) – biodegradable

- **ICT** →
  - Energy Star-rated mandatory procurement criterion in *ICT Provisioning and Management Framework*

- **Energy** →
  - 6% Greenpower purchasing (NSW GREP)
  - Renewables – 67kW to date (Orange 12kW and Mudgee 55kW)
  - Energy efficient lighting and HVAC
Sustainable Procurement – Major Program Areas (2)

• **Annual Fleet Management Plan**

  • FY 15/16:
    - 19% of vehicles in the fleet are certified green vehicles under the Federal Government’s Green Vehicle Guide…..up from 16% in 14/15 and exceeds 5% performance target
    - Green vehicle score for passenger vehicles 14.5…..up from 14.3 in 14/15 and exceeds performance target of 14 for 2nd year in a row
    - Green vehicle score for commercial vehicles 9.1…..down from 9.3 in 14/15 and exceeds performance target of 9 for 3rd year in a row
    - E10 ULP purchasing 23% of total fuel purchased…..no change from 14/15 and exceeds performance target of 20% for 4th year in a row

  • Since baseline year FY 11/12:
    - Fleet costs have been reduced by $296,147
    - Fleet size has been reduced by 23%
    - Distance travelled has been reduced by 769,902 kilometres
    - Total volume of fuel purchased has been reduced by 82,700 litres
    - Fuel costs have been reduced by $160,739
Sustainable Procurement and Waste Management

- **E-waste**
  - FY 15/16: 15 tonnes
  - 35 tonnes since implementation of program in 2014
  - $22,928 revenue returned to the Institute in FY15/16

- **ICT device reduction program**
  - 1,107 devices removed since FY 11/12
  - Savings generated since FY 11/12 of $1,390,095

- **Printing reduction program**
  - Consolidation of printer fleet from individual desktop printers to shared multifunction devices
  - Printing savings generated since FY 11/12 of $270,087
Key Partners

- Mobile Muster
- InfoActiv
- ACT Logistics
- Apple Inc
- Hewlett Packard
- 2XE Pty Ltd
- Green Building Council of Australia
- Bathurst Regional Council
- Kimberly Clarke
- NSW Office of Environment and Heritage
- NSW Public Works
- Skillset
- Staples Australia
- Zauner Construction
- Storm Consulting
- Cactus Jam Productions
- Green Army – Federal Department of the Environment and Energy
- Metro Graphics
- NSW Environment Protection Authority
The ‘Wet Area Procurement Project’ – Background and Drivers

- **Background**
  - Sustainable procurement programs running since FY 11/12
  - 2014: wet area procurement – bathrooms, toilets and kitchens – a new area of opportunity to examine:
    - Purchasing behavior
    - Cost of wet area consumables to the business
    - To what extent environmentally friendly products are being purchased for wet areas

- **Drivers**
  - Improve sustainable purchasing practice
  - Manage costs
  - Deal with localised theft
  - Understand current practice regarding purchase of environmentally certified products

- **Barriers**
  - Cost
  - Infrastructure
  - Not supporting local suppliers
  - Anti-competitive behaviour
The ‘Wet Area Procurement Project’ – Preliminary Analysis

- Analysis conducted in partnership with Kimberly Clarke and Staples Australia
- Little capacity to control purchasing habits
- Wide variety of products being purchased over a broad cost band

Analysis of 2014 wet area purchasing data through Staples Australia indicated purchase of:

- 24 types of hand towel
- 19 types of toilet tissue
- 15 types of soap (not including grit soap used in industrial areas such as automotive)
- 12 types of facial tissue
- 9 types of hand sanitizer

- Most products purchased had an environmental certification of some kind, but some product choices were not the most sustainable option that could be chosen
- Expenditure of…..$XXX,XXX (a lot)
The ‘Wet Area Procurement Project’ – Design and Implementation

- Target high use sites – large and medium colleges:
  - Dubbo
  - Orange
  - Bathurst
  - Mudgee
  - Parkes
  - Forbes
  - Lithgow
  - Cowra
  - Wellington

- Site audits:
  - Every site, every room (14 sites in total)
  - Factor in disability access requirements
  - Staff awareness and education

- Create dispenser profile for each site, and each room

- Authorise dispenser agreements – you break, you pay

- Install new dispensers and implement new ordering practices
The ‘Wet Area Procurement Project’ – First Year Results

- Data from the first year of implementation indicates:
  - A 10% reduction in wet area consumables purchasing cost (TBC - $XX,XXX)
  - Confirmation of an accurate baseline for environmentally-certified products as a proportion of total products purchased (75%) → building the evidence base of ‘greening’ our supply chain
  - **Still to confirm:** impact on the range and number of products being purchased
    - Incorporation into capital works projects (major, and minor where relevant) as part of sustainable procurement strategy
    - Reduced incidence of theft
    - Improved relationships with key suppliers

www.tafewestern.edu.au
The ‘Wet Area Procurement Project’ –
Some Things We Learned Along the Way

• **Data and Reporting**
  - Even with the support of project partners, constructing custom reports to accurately report on these types of projects is challenging
  - Ongoing work to customise reports to obtain accurate results and determine disclosure boundaries – commercial in confidence

• **Legal**
  - Perception that by working in partnership with suppliers, engaging in anti-competitive / collusive behavior
  - Involvement of Legal in project design and execution

• **Resistance to Change**
  - Awareness and education strategy unsuccessful at some locations – perception of ‘robbing local suppliers’
  - Ongoing work to educate and train staff in NSW public sector procurement and purchasing requirements – including on-contract and pre-qualified
  - How to support local suppliers to become pre-qualified
Sustainable Procurement @ TAFE Western – Where to Next?

- A new direction under One TAFE NSW
- What will the next five years of sustainable practice and procurement look like?
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