

# Responsible Procurement

## Responsible

**Credit: 5**

**Points: 1**

## Outcome

The procurement process for key products, materials, and services for the building's design and construction follows best practice environmental and social principles.

## Criteria

		<p><b>Organizations with annual revenue over \$ 20 million:</b></p> <ul style="list-style-type: none"> <li>• The building's design and construction procurement processes follow ISO 20400 Sustainable Procurement – Guidance by undertaking a risk and opportunities assessment.</li> <li>• A responsible procurement plan is developed to mitigate risks and implement opportunities identified in the assessment.</li> </ul> <p>OR</p> <p><b>Organizations with annual revenue less than \$ 20 million:</b></p> <ul style="list-style-type: none"> <li>• The building's design and construction procurement processes follow ISO 20400 Sustainable Procurement – Guidance by undertaking a risk and opportunities assessment for the top 5 trade packages by spend that include assessments in:             <ul style="list-style-type: none"> <li>○ Human rights</li> <li>○ The environment</li> </ul> </li> </ul> <p>Risk controls of clauses in tenders, contracts and supplier management should be identified in the assessment.</p>
<b>Credit Achievement</b>	<b>1 point</b>	

## Additional information

### Stage implementation

Strategy	Brief	Concept	Design	Tender	Construction	Handover	Use
----------	-------	---------	--------	--------	--------------	----------	-----

### Synergies with other credits

- Responsible Construction
- Responsible Resource Management
- Responsible Structure
- Responsible Envelope
- Responsible Systems
- Responsible Finishes

- Exposure to Toxins
- Heat Resilience
- Upfront Carbon Emissions
- Energy Use
- Energy Source
- Water Use
- Life Cycle Impacts
- Inclusive Construction Practices
- Indigenous Inclusion
- Procurement and Workforce Inclusion

### Sustainable Development Goals

- Goal 8 (Decent Work and Economic Growth)
- Goal 10 (Reduced Inequalities)
- Goal 12 (Sustainable Consumption and Production)

### Relevant reporting initiatives

- GRESB

## Requirements

### Credit Achievement

- **Organizations with annual revenue over \$ 20 million:**

the project must comply with **both** of the following criteria:

- Risk and Opportunity Assessment
- Responsible Procurement Plan

- **Organizations with annual revenue less than \$ 20 million**

the project must comply with **both** of the following criteria:

- Create a risk assessment for the top 5 trade packages by spend that include assessments in:
  - Human rights
  - The environment
- Provide evidence of risk controls through clauses in tenders, contracts and supplier performance management

### Risk and Opportunity Assessment

- **Organizations with annual revenue over \$ 20 million:**

Prior to appointment of the Head Contractor, the project team must undertake a risk and opportunities assessment of 10 or more key items in the project's supply chain (as selected by the project team) to identify environmental, social and human health risks, and opportunities following ISO 20400 Sustainable Procurement – Guidance. The assessment must be completed by the design team with input from the building owner. The following two areas must be represented in the 10 items:

- Building Services (Plant and Equipment): Lighting, heating, ventilation, vertical transportation, acoustics, hydraulic, power supply, energy management and security and safety systems.

- Examples of building systems making up the Building Services include, but are not limited to:
  - Mechanical systems (such as HVAC and refrigeration systems; mechanically operable systems such as blinds and actuated shading devices).
  - Building Management and Control System (BMCS).
  - Lighting and associated controls.
  - Electrical systems (such as electrical generation, electrical supply, distribution systems, security and access systems, and alarm systems).
  - Hydraulic systems (such as gas and water supply distribution systems, sewage collection and distribution systems, stormwater collection and distribution systems; pumps).
  - Fire detection systems, smoke alarm systems and emergency warning systems.
  - Fire protection systems, including pumps and other equipment.
  - Lifts and any other vertical transport devices.
  - Any other system that has an impact on the energy or water consumption of the building as identified by building owner or building operator.

Please note that at least two (2) of the above building services must be represented in the 10 key items.

- **Building Materials and Products:** This is defined as being the materials and products used on the building's structure, envelope, systems, and finishes. Please refer to the Definitions on page 65 of the Submission Guidelines for a detailed description of elements included in each building component.

- **Organizations with annual revenue less than \$ 20 million**

Prior to appointment of the Head Contractor, the project team must undertake a risk and opportunities assessment of 5 or more key items in the project's supply chain (as selected by the project team) to identify environmental, social and human health risks, and opportunities following ISO 20400 Sustainable Procurement – Guidance. The assessment must be completed by the design team with input from the building owner. The following two areas must be represented in the 5 items:

- **Building Services (Plant and Equipment):** Lighting, heating, ventilation, vertical transportation, acoustics, hydraulic, power supply, energy management and security and safety systems.
- Examples of building systems making up the Building Services include, but are not limited to:
  - Mechanical systems (such as HVAC and refrigeration systems; mechanically operable systems such as blinds and actuated shading devices).
  - Building Management and Control System (BMCS).
  - Lighting and associated controls.
  - Electrical systems (such as electrical generation, electrical supply, distribution systems, security and access systems, and alarm systems).
  - Hydraulic systems (such as gas and water supply distribution systems, sewage collection and distribution systems, stormwater collection and distribution systems; pumps).
  - Fire detection systems, smoke alarm systems and emergency warning systems.
  - Fire protection systems, including pumps and other equipment.
  - Lifts and any other vertical transport devices.
  - Any other system that has an impact on the energy or water consumption of the building as identified by building owner or building operator.

Please note that at least one (1) of the above building services must be represented in the 5 key items.

**Building Materials and Products:** This is defined as being the materials and products used on the building's structure, envelope, systems, and finishes. Please refer to the Definitions on page 65 of the Submission Guidelines for a detailed description of elements included in each building component. The risk assessment (for all organisations) must consider risks and opportunities further down the supply chain, such as in the extraction, manufacture, or transport of key materials. The risk and opportunity assessment must address at least the following ISO 20400 Sustainable Procurement - Guidance issues:

- Human rights
- Labour practices
- The environment
- Fair operating practices
- Consumer issues
- Community involvement and development

## Responsible Procurement Plan

The project team must develop a plan for how the project will responsibly procure 10 or more key items mitigating risks and implementing opportunities identified in the Assessment following ISO 20400 Sustainable Procurement – Guidance as a guide to developing the plan.

The plan must:

- Identify the potential trade packages in which the 10 or more items would be procured
- Identify project-level environmental, social, economic objectives reflecting the risks and opportunities assessment
- Outline mitigation principles and standards
- Establish a governance process with roles and responsibilities for overseeing implementation of the procurement plan objectives
- Outline requirements for data collection and impact measurement monitoring and reporting
- Provide a framework for incentivising the achievement of the plan with relevant contractors and trades

The plan must be embedded in tender documentation for the head contractor or relevant trades. It must be implemented in partnership with relevant contractors and trades throughout construction, demonstrating data collection, monitoring, and reporting has been carried out.

## Submission content

### Submissions for this credit must contain:

- **Submission form**
- **Evidence** to support claims made in the submission

### Recommended evidence:

- Extract from supply chain risk and opportunity assessment
- Responsible procurement plan
- Extracts from tender documents demonstrating principles and action plan was incorporated
- Meeting minutes or governance process documents
- Impact and data reporting undertaken through the construction process in partnership with relevant trades and contractors

Alternate documentation can also be used by project teams to demonstrate compliance.

The recommended evidence listed above is applicable to the as built submission. See the *Design Assessment documentation* section in the Introduction for more information on submitting evidence for the Design assessment.

The key requirement is that evidence is provided to support each claim made within the Submission form.

## Guidance

### ISO 20400 Sustainable Procurement – Guidance

ISO 20400: Sustainable Procurement – Guidance provides guidance to organisations, independent of their activity or size, on integrating sustainability within procurement. The procurement process must include community involvement and development, consumer issues, fair operating practices, the environment, labour practices, and human rights. The standard also addresses organisational requirements at the middle management level, including the governance that should be in place, people management and training, stakeholder engagement, prioritisation, reporting and grievance processes. The last section sets out the procurement process itself, including planning, sourcing, and contract management.

It is expected that the design team, head contractor and sub-contractors follow the ISO 20400 guidelines to manage procurement risk in their supply chains to meet the requirements of this credit. It is not expected that all organisations downstream in the supply chain follow the ISO 20400 guidelines.

#### Procurement scope

The *Responsible Procurement* credit deals specifically with the building's design and construction procurement processes. It does not deal with operational procurement decisions; however, it is encouraged that these processes also follow ISO 20400 Sustainable Procurement – Guidance.

#### Design & construct contracts and other tender packages

Where a Head Contractor is engaged under a D&C contract, they may complete the Responsible Procurement Plan where they can demonstrate this has been completed prior to letting contracts related to items in the Assessment and Plan.

#### Responsible procurement plan

This can be part of an organisational plan or a stand-alone plan.

## Supporting information

The following resource supports this credit:

- [ISO 20400: Sustainable Procurement – Guidance](#)
- [New Zealand Construction Accord, Broader Outcomes Guidance for the Construction Sector: https://www.constructionaccord.nz/assets/Construction-Accord/files/broader-outcomes-guidance-for-the-construction-sector-1.pdf](https://www.constructionaccord.nz/assets/Construction-Accord/files/broader-outcomes-guidance-for-the-construction-sector-1.pdf)
- [New Zealand Government Sustainable Procurement Guide:](#)
- <https://www.procurement.govt.nz/assets/procurement-property/documents/1-guide-identifying-sustainable-procurement-priorities-sustainable-procurement.pdf>
- <https://www.procurement.govt.nz/assets/procurement-property/documents/2-guide-identifying-needs-and-assess-risks-sustainable-procurement.pdf>
- <https://www.procurement.govt.nz/assets/procurement-property/documents/3-guide-evaluate-and-select-suppliers-sustainable-procurement.pdf>
- <https://www.procurement.govt.nz/assets/procurement-property/documents/4-guide-define-specifications-and-invite-tenders-sustainable-procurement.pdf>
- [Auckland Council Sustainable Outcomes Toolkit 2022](#)