

SUSTAINABLE PROCUREMENT FRAMEWORK



CITY OF MELBOURNE

Acknowledgement of Traditional Owners

The City of Melbourne respectfully acknowledges the Traditional Owners of the land we govern, the Wurundjeri Woi-wurrung and Bunurong / Boon Wurrung peoples of the Kulin Nation and pays respect to their Elders past and present. We acknowledge and honour the unbroken spiritual, cultural and political connection they have maintained to this unique place for more than 2000 generations.

We accept the invitation in the Uluru Statement from the Heart and are committed to walking together to build a better future.

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Cover Image: CH2 Green Facade. Photo Credit: David Hannah

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INTRODUCTION

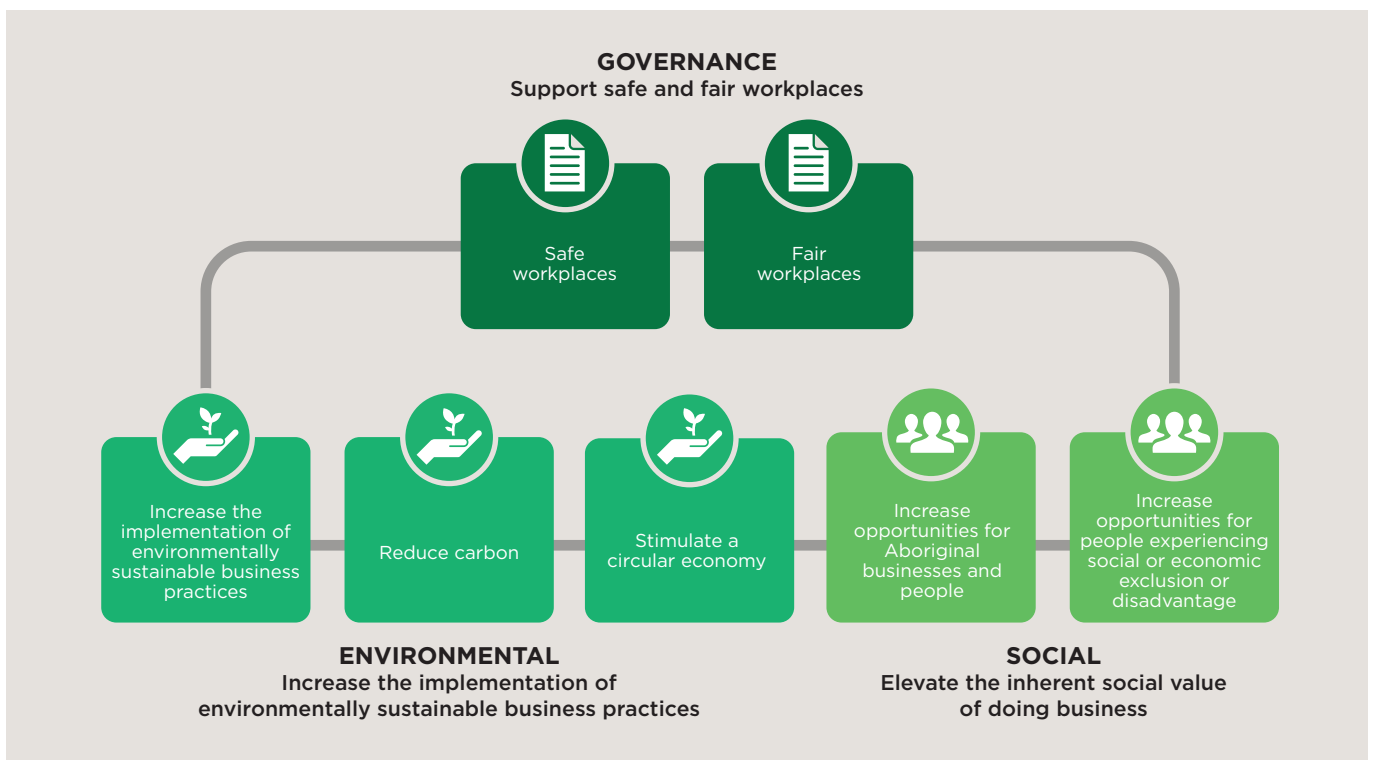
City of Melbourne aims to use our procurement processes to drive sustainability. We want our buying power to make a difference beyond the financial value of the goods and services we purchase. We want to contribute to a fair, inclusive and environmentally and socially sustainable community for all, via our suppliers and supply chains.

Our procurement policy defines a set of best practice principles:

- value for money
- social and environmental sustainability
- open and fair competition
- accountability
- risk management
- probity and transparency
- local economic benefits.

This document focuses on sustainability in City of Melbourne's procurement process. It explains what we mean by sustainability and details how we guide staff to embed it in their decision-making when we buy goods and services. The framework is iterative: we regularly update it to ensure it remains current with our priorities and the expectations of our community.

Our overarching principle is governance - covering child safety, gender equity, modern slavery, occupational health and safety and National Employment Standards - beneath which we prioritise social and environmental sustainability.



What is the sustainable procurement framework?

Our sustainable procurement framework is a suite of guides and resources for City of Melbourne staff. It supports them strategically using procurement to drive governance, social and environmental outcomes consistent with the United Nations Sustainable Development Goals.

It provides staff with guidance for tenders and quotes. It helps them make decisions throughout the contract lifecycle – not only on immediate value for money but also to strengthen longer-term social and environmental outcomes. It ensures we work with suppliers who comply with legislation and whose values align with ours.

The framework aligns City of Melbourne's procurement decisions with our sustainability commitments, goals, targets and objectives by:

- defining our key sustainability areas and priorities, as decided by the Council
- assisting purchasing decisions to ensure sustainable procurement is our business-as-usual
- ensuring the whole organisation consistently prioritises sustainable procurement
- encouraging buyers to think strategically about environmental and societal risks and opportunities and work more closely with suppliers.

Our sustainability priorities

This framework contains seven priorities grouped under three sustainability areas: governance, environmental sustainability and social sustainability. Governance priorities – supporting safe and fair workplaces – are overarching principles considered in all procurement. To create a scalable approach and maximise value and outcomes, we don't expect all procurement to meet every sustainability priority. We aim for each contract to be aligned with the most realistic and achievable priorities for that situation.

Governance

We aim to work with suppliers whose business practices meet legislative requirements and whose principles align with ours by:

- ensuring suppliers support safe workplaces that comply with occupational health and safety, modern slavery and child safe legislation
- ensuring suppliers support a fair workplace, including gender equality and diversity, equal opportunities and National Employment Standards.

Environmental sustainability

We aim to promote environmentally sustainable business practices by:

- reducing carbon emissions in our supply chain
- stimulating a circular economy by collaborating with existing and new suppliers to improve environmental management to deliver long-term circular economy practices
- encouraging biodiversity and climate resilience practices with suppliers.

Social sustainability

We aim to elevate the inherent social value of doing business by:

- increasing opportunities for Aboriginal businesses and peoples to address inequality and strengthen their role in the Melbourne economy
- increasing opportunities for people experiencing social or economic exclusion or disadvantage.

Sustainable procurement working group

We have developed a collaborative approach to sustainable procurement by forming a working group of subject matter experts throughout City of Melbourne. This group has been instrumental in developing the guides and resources that make up this framework. Staff can contact them for support and guidance in applying the specific priorities to achieve outcomes.

Alignment with the Sustainable Development Goals

The Sustainable Development Goals are a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030. Achieving sustainable development is the most critical challenge facing our generation.

In 2015, the Australian Government and all United Nations member states committed to an overarching framework for global development, setting out 17 ambitious goals supported by targets and indicators designed to measure progress at a national level.

Although the targets and indicators are designed for national governments, two-thirds of the targets relate to cities. The goals can only be achieved with the support of city authorities. More than half the world's population lives in cities, with urban residents accounting for a disproportionate share of economic production, consumption, and associated waste.

Our sustainable procurement policy and framework directly promote many of the goals.

SUSTAINABLE PROCUREMENT - ALIGNMENT WITH THE SUSTAINABLE DEVELOPMENT GOALS



GLOBAL GOALS



CITY OF MELBOURNE'S GOALS



SAFE WORKPLACES

- Goal 5 - Gender equality
- Goal 8 - Decent work and economic growth
- Goal 16 - Peace, justice and strong institutions

FAIR WORKPLACES

- Goal 5 - Gender equity
- Goal 8 - Decent work and economic growth
- Goal 10 - Reduce inequalities
- Goal 16 - Peace, justice and strong institutions

INCREASE ABORIGINAL OPPORTUNITIES

- Goal 1 - No poverty
- Goal 2 - Zero hunger
- Goal 4 - Quality education
- Goal 8 - Decent work and economic growth
- Goal 10 - Reduce inequalities

REDUCE EXCLUSION

- Goal 1 - No poverty
- Goal 2 - Zero hunger
- Goal 4 - Quality education
- Goal 5 - Gender equality
- Goal 8 - Decent work and economic growth
- Goal 10 - Reduce inequalities

BIODIVERSITY AND CLIMATE RESILIENCE

- Goal 6 - Clean water and sanitation
- Goal 7 - Affordable and clean energy
- Goal 8 - Decent work and economic growth
- Goal 9 - Industry, innovation and infrastructure
- Goal 11 - Sustainable cities and communities
- Goal 13 - Climate action
- Goal 14 - Life below water
- Goal 15 - Life on land

REDUCE CARBON

- Goal 7 - Affordable and clean energy
- Goal 8 - Decent work and economic growth
- Goal 9 - Industry, innovation and infrastructure
- Goal 11 - Sustainable cities and communities
- Goal 13 - Climate action

STIMULATE CIRCULAR ECONOMY

- Goal 9 - Industry, innovation and infrastructure
- Goal 11 - Sustainable cities and communities
- Goal 12 - Responsible consumption and production
- Goal 13 - Climate action

OUR SUSTAINABLE PROCUREMENT PROCESS

There are five stages to the procurement process: planning, document development, evaluation, contract management and reporting. We embed sustainability at each stage.






Planning

With the help of the sustainable procurement working group and the procurement team, staff determine which priorities to promote for each procurement process.

Gender equity, occupational health and safety and employment standards are mandatory for each procurement. Similarly, where children are involved or the sector is considered high risk for modern slavery – such as construction, textiles, cleaning and security services – these priorities must be included.

Depending on the size and nature of the contract, we may promote one or more additional priorities. Drawing on our guides for choosing priorities and strategy options, staff determine the best way to achieve their goals. Planning includes market analysis to identify potential suppliers and realistic priorities and sustainability outcomes that will contribute to City of Melbourne’s goals.

PROCUREMENT STRATEGY OPTIONS

	<p>PLANNING</p> <ul style="list-style-type: none"> • Use the ‘Selecting a priority’ guide to determine priorities • Set a minimum 10 per cent weighting for sustainability • Ask the sustainable procurement working group for advice
	<p>TARGETED SOURCING</p> <ul style="list-style-type: none"> • Where appropriate, direct sourcing to known social enterprises or Aboriginal businesses with demonstrated capacity and proven cost-effectiveness • Note: thresholds still apply and exemptions will be required.
	<p>PARTNERSHIPS AND SUBCONTRACTORS</p> <ul style="list-style-type: none"> • For large contracts, encourage larger organisations to partner with Aboriginal or social enterprises to deliver some of the requirements
	<p>SUPPLIER MANAGEMENT</p> <ul style="list-style-type: none"> • Use supplier relationship management processes to engage with suppliers to explore opportunities and sustainable considerations throughout the life of the contract
	<p>BUNDLE OR UNBUNDLE</p> <ul style="list-style-type: none"> • Bundle smaller contracts to incentivise suppliers to deliver sustainability options • Unbundle large contracts to enable smaller social organisations to apply

City of Melbourne’s procurement strategy options guide for staff

Document development

All City of Melbourne tender and quotation templates include detailed sections on sustainable procurement. Staff use templates, applying their selected priorities. When appropriate, we make sustainability elements mandatory.

Subject matter experts in the working group assist staff in developing documentation. We set a minimum weighting of 10 per cent for sustainability, tailor evaluation criteria specific to sustainability, and set key performance indicators and measures for sustainability outcomes. Our working group is available to guide staff in setting achievable indicators.



by Aboriginal artist Dixon Patten from Bayila Creative

Image caption: Social Sustainability – Supporting Aboriginal businesses and peoples - Aboriginal grass art

Evaluation

Staff must complete an evaluation plan for all tenders. An evaluation panel assesses each tender and submission against selection criteria; all panel members must complete conflict of interest declarations. We have developed tools to help staff evaluate and score submissions, ensuring we implement the mandatory 10 per cent weighting for sustainability on all procurement. We provide guides for staff to guard against greenwashing and black cladding.

GREENWASHING

Greenwashing is the act of making false or exaggerated claims about a product or service's environmental friendliness to make it more appealing.

How to spot it:

- vague or misleading language
- unverified or irrelevant certifications
- lack of transparency about the company's practices.

It's important to research and seek reliable sources to verify any eco-friendly claims. Still not sure? Take a look at the Good Environmental Choice Australia website or contact the sustainable procurement working group.

City of Melbourne's guide to identifying and removing Greenwashing from City of Melbourne contracts

BLACK CLADDING

Black cladding is the act of a non-Aboriginal business taking unfair advantage of an Aboriginal business to gain access to otherwise inaccessible Aboriginal procurement policies or contracts.

How to spot it:

- no Aboriginal peoples in senior management
- decision-making made by the non-Aboriginal part of the business
- services are not provided by Aboriginal peoples.

It's important to research and seek reliable sources to verify any claims. Still not sure? Take a look at the Supply Nations website or contact the sustainable procurement working group.

City of Melbourne's guide to identifying and removing black cladding from City of Melbourne contracts

Contract management

Sustainability is part of our contract and supplier management frameworks. We review sustainability key performance indicators and measures alongside other indicators. Our contract management guides assist staff in managing contracts to ensure sustainability.

MANAGING SUSTAINABILITY WITHIN A CONTRACT	
 REPORTING	<ul style="list-style-type: none"> • Report on sustainability initiatives and outcomes related to contract delivery • Prepare annual organisational social or environmental reports • Share your achievements.
 KPIS AND TARGETS	<ul style="list-style-type: none"> • Set KPIs and measure directly based on supplier submissions • Set stretch targets • Review and refresh at regular intervals • Contact the sustainable procurement working group for help.
 SITE VISITS	<ul style="list-style-type: none"> • Conduct regular site visits to monitor supplier performance and assess agreed sustainability outcomes.
 MEETINGS	<ul style="list-style-type: none"> • Schedule regular meetings to review achievement against targets • Hold separate sustainability meetings for larger contracts, where appropriate, and consider inviting sustainable procurement working group members to attend.
 SRM	<ul style="list-style-type: none"> • Use Supplier Relationship Management tools and techniques • Create strong relationships with suppliers to support sustainability outcomes.

City of Melbourne’s guide to managing sustainability within a contract

Reporting

Staff must report on the sustainability outcomes in each contract. We celebrate success with our achievements reporting. Our reporting is regularly provided to the executive leadership team and the Council.

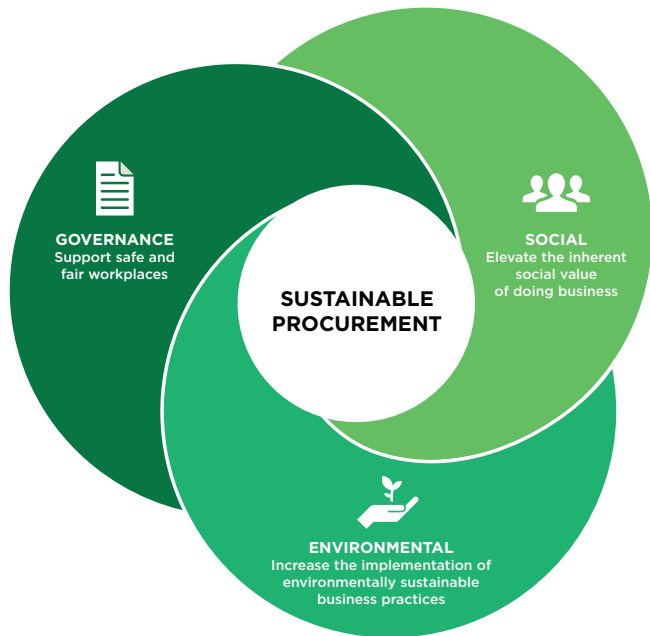


Image caption: Social Sustainability – people experiencing social or economic exclusion or disadvantage



Image caption: Governance - Safe Workplaces, Child Safety

SUSTAINABLE PROCUREMENT PRIORITIES



Governance

Safe and fair workplaces are essential for our workforce and our community. A person's health and wellbeing comprise everything that helps them lead a happy, fulfilled and meaningful life – including a sense of belonging, acceptance by others and the ability to express themselves.

We are committed to treating all people with dignity and respect and providing a work environment free from unlawful discrimination, harassment, sexual harassment, victimisation and racial or religious vilification. Further, we are committed to taking positive action to ensure fair treatment of all employees, volunteers and contractors, service providers, and those we procure products and services from, consistent with our organisational values and obligations under the Equal Opportunity Act 2010 and the Gender Equality Act 2020.

SAFE WORKPLACES

Considerations and outcomes

We expect staff to challenge new and existing suppliers to the following standards:

Occupational health and safety – suppliers must identify, assess and manage issues before we enter procurement arrangements.

Child safety – we embed Victoria's Child Safe Standards and Reportable Conduct Scheme within relevant contracts. Both the supplier and City of Melbourne must meet legislative child safe requirements under the Child Wellbeing and Safety Act 2005. Suppliers must demonstrate a strong commitment to keeping children safe from abuse and harm.

Modern slavery – suppliers must take reasonable action to prevent modern slavery in all its forms and protect and respect all human rights.

What we do

Occupational health and safety

We are committed to providing a safe and healthy workplace and environment for our staff, suppliers, contractors, volunteers and visitors. We also aspire to provide safety leadership to the community and the local government sector. We meet our legal obligations under the Occupational Health and Safety Act 2004 and Occupational Health and Safety Regulations 2017 and exceed them wherever possible.

City of Melbourne ensures our work areas and community spaces are safe. We also believe occupational health and safety is a shared responsibility. As such, we expect our suppliers to treat safety as their highest priority.

Child safety

As an applicable entity under the Child Wellbeing and Safety Act 2005, we are legislatively required to comply with the Child Safe Standards and the Reportable Conduct Scheme. A child refers to a person under the age of 18.

City of Melbourne is committed to being a child-safe organisation and has zero tolerance for child abuse. We recognise our legal and moral responsibilities to protect children from abuse and harm and promote their best interests.

We expect staff, volunteers and contractors to observe child safe principles and behave appropriately towards and in the company of children. In partnership with community organisations, businesses and all levels of government, we aim to create environments where all children are listened to, their views are respected and they contribute to how we plan for, design and develop our services and activities.

Modern slavery

As part of our procurement process, we aim to ensure that modern slavery does not occur in any part of our supplier's business or supply chain. We aim to work with suppliers who:

- are proactive in examining their supply chains to determine whether modern slavery is evident, from the acquisition of raw materials through to the shipment of products
- have processes to identify and mitigate risks in the production of goods or services
- produce the contracted goods or services under conditions that are compatible with City of Melbourne's standards
- provide evidence of self-assessment of compliance, including how they and their key third parties comply with minimum social standards.

FAIR WORKPLACES

We are committed to treating all people with dignity and respect and providing a work environment free from unlawful discrimination, harassment, sexual harassment, victimisation, and racial or religious vilification. Further, we

are committed to taking positive action to ensure the fair treatment of all employees, volunteers and contractors, service providers and those we procure products and services from, consistent with our organisational values and obligations under the Equal Opportunity Act and the Gender Equality Act.

Considerations and outcomes

We challenge new and existing suppliers on:

- gender equality – suppliers must consider and promote gender equity in their services and products, in line with our obligations under the Gender Equality Act
- equal opportunity – suppliers must commit to fair treatment of all employees and align with our values
- National Employment Standards – suppliers must adhere to workplace relations standards such as long service leave and workers' compensation.

What we do

Gender equality

City of Melbourne believes that everyone, regardless of gender identity, should have equal access to power, resources and opportunities and should be treated with dignity, respect and fairness.

Under the Gender Equality Act, we must take positive action towards workplace gender equality and promote gender equality in our policies, programs and services. We are committed to delivering on the requirements under the Act by embedding gender equality in our work. The objectives of this Act are to:

- promote, encourage and facilitate gender equality and improvement in the status of women
- support the identification and elimination of systemic causes of gender inequality in policy, programs and delivery of services in workplaces and communities
- recognise that gender inequality may be compounded by other forms of disadvantage or discrimination that a person may experience based on Aboriginality, age, disability, ethnicity, gender identity, race, religion, sexual orientation and other attributes
- redress disadvantage, address stigma, stereotyping, prejudice and violence, and accommodate persons of different genders by way of structural change
- enhance economic and social participation by persons of different genders
- further promote the right to equality set out in the Charter of Human Rights and Responsibilities and the Convention on the Elimination of All Forms of Discrimination against Women.

Women's safety and empowerment

City of Melbourne is well-placed to take an active role in preventing violence against women because we create public environments, develop community facilities and provide health and community services. We can drive and embed positive cultural change and influence appropriate attitudes and behaviours towards women. We can demonstrate leadership by resourcing and coordinating strategies with partners, including suppliers. In particular, we can:

- protect women's and children's rights to safety
- continue to make public our commitment to contribute to the prevention of violence against women
- display commitment and leadership
- empower female staff to make changes in their lives and society
- encourage male staff to act as allies and take action to prevent violence against women
- support staff affected by family violence
- focus on primary prevention and early intervention approaches
- coordinate, collaborate and partner with others to bring about change
- implement policies and procedures to promote gender equity to prevent violence against women.

Equal opportunity

We commit to making Melbourne a place where all cultures, backgrounds, genders, sexualities and abilities are welcomed, celebrated and protected. We use suppliers with a diverse workforce who promote equal opportunity and comply with legislation.

National Employment Standards

We expect our suppliers to uphold labour standards and treat workers with respect. The International Labour Organization promotes core standards relating to the elimination of all forms of forced or compulsory labour, the abolition of child labour, freedom of association and recognition of the right to collective bargaining, the elimination of any discrimination in employment and occupation, and the recognition of equal remuneration for work of equal value. The standards aim to promote opportunities for people to obtain decent and productive work in conditions of freedom, equity, security and dignity.

City of Melbourne's working conditions are established through the National Employment Standards and our enterprise agreement. We develop policies and procedures to support good governance and provide transparency and clarity to all employees about our principles, rules and guidelines.



Image caption: Environmental Sustainability - Reduce Carbon

Environmental sustainability

Under the Local Government Act 2020, public institutions must manage the long-term impacts of climate change on people, assets and infrastructure, and business operations. Our supply chain has a significant material impact on our sustainability performance.

We have committed to sustainability in many plans and strategies, including:

- Future Melbourne 2026 Plan
- Climate Change Mitigation Strategy
- Climate Change Adaptation Strategy
- Waste and Resource Recovery Strategy 2030
- Transport Strategy 2030
- Nature in the City Strategy
- Urban Forest Strategy
- our climate and biodiversity emergency declaration.

In Goal 1 of the Future Melbourne 2026 Plan – a city that cares for its environment – we committed to:

- maintain our urban biosphere
- adapt to climate change
- emit zero greenhouse gases
- capture and reuse stormwater
- use resources efficiently
- capture the sustainability benefits of urban density.

REDUCE CARBON

We created a roadmap to reduce our greenhouse impact in our Emissions Reduction Plan for Council Operations 2021-2026. It includes:

- a total of 72 emissions actions across eight priority areas
- measuring and reporting on emissions generated from our operations
- carbon neutral certification for our operations.

We committed to reducing carbon emissions from our facilities and services with eight action priorities:

- host carbon-neutral events
- transition to zero-carbon buildings
- measure and minimise embodied carbon in design and construction
- purchase carbon-neutral goods and services
- use zero-carbon corporate transport
- move towards zero waste from City of Melbourne operations

- work with subsidiaries to reduce their emissions
- tell City of Melbourne's climate change story.

Considerations and outcomes

We reduce carbon emissions in our supply chain by:

- encouraging suppliers to reduce and offset greenhouse gas emissions and reduce pollution
- asking suppliers to improve pursue energy efficiency and purchase renewable energy
- encouraging suppliers to avoid the use of fossil fuels in the delivery of products or services to City of Melbourne where practicable, including by using electric vehicles
- leveraging our purchasing power to ensure suppliers report emissions and environmental impact and voluntarily offset their emissions
- identifying opportunities to reduce embodied emissions in capital works, upgrades and maintenance works.

To increase the number of major contracts with sustainable procurement requirements, we need to understand the impact across the lifecycle of purchasing and procurement. We must consider the entire procurement process: development, category management planning and in-tender documentation, key performance indicators, contract management and reporting.

What we do

Reduce carbon emissions

We use contract provisions to require suppliers to provide emissions data via our standard format reporting process. Where emissions from subcontractors are also material (big enough for City of Melbourne to measure), suppliers must report emissions on behalf of subcontractors.

Reduce fossil fuel use

Wherever practical, and as a first principle, all new vehicle purchases or leases must be electric. We ensure contracts include specific measures to require the purchase of electric vehicles and the accurate reporting of any transport fuels. We work with suppliers to improve how they report on transport fuels from subcontractors.

Support staff with procurement

Our sustainable procurement working group has subject matter experts who:

- help staff identify whether the contract or service is material in terms of carbon
- provide staff with emissions reporting information
- discuss carbon offsetting with staff or suppliers
- help to draft contract terms regarding emissions reporting or anything carbon-related.

STIMULATE A CIRCULAR ECONOMY

Global issues such as accelerated climate change, economic tensions and unstable markets are related to some of the fundamental ways we run our society. Directly and indirectly, we create and sustain these problems through what can be called a linear economy: a take-make-waste mentality that incentivises short-term solutions, financial exploitation, social inequity and environmental unsustainability.

A circular economy is an economic system based on designing out waste and pollution, keeping materials in use and regenerating natural systems. Doing so allows for socially, environmentally and economically sustainable development, creating a better future for our city and society.

There will always be inefficiencies and waste that leaks out of the system, but we can get close. Through our sustainable procurement framework, we aim to challenge new and existing suppliers to improve environmental management and collaborate on long-term circular solutions.

Considerations and outcomes

We aim to stimulate the transition to a circular economy by reducing or eliminating waste and minimising the use of resources, water and energy. We challenge new and existing suppliers to improve environmental management and collaborate on delivering long-term circular economy practices by:

- minimising the use of resources throughout the supply chain
- selecting products and services that have a minimal effect on the depletion of natural resources or that regenerate natural resources
- reducing waste to landfill through the supply chain and increasing the use of materials that contain re-claimed resources
- encouraging suppliers throughout the chain to be transparent about their materials, metrics, practices and progress on circular solutions
- managing products and packaging across the entire lifecycle, from selecting materials and design to funding and managing product stewardship at the end of the product's life.

What we do

Start small

The transition to a circular economy requires systemic change. Challenging existing methodologies and principles takes work, so we encourage staff to start small by tackling one target or area at a time and document their process with key metrics so others can learn from it.

Find champions

Given the scale of change required, we encourage staff to find champions in the organisation to fight for better solutions, whether they are the subject matter experts involved in this framework or other employees.

Challenge ourselves

We recognise that our projects need to be conceived with sustainability in mind. Design teams must employ circular design strategies, procurement and project management must select sustainable solutions, and asset and waste management must consider product and service lifecycles.

Challenge our suppliers

We encourage staff to include circular procurement in the scope of service, such as:

- require suppliers to use recycled content or ensure goods are recyclable
- request recycled content is used whenever possible when manufacturing goods or undertaking a service
- seek goods or services that use more recycled content
- consider how goods will be disposed
- assess the scope for avoiding excess greenhouse gas emissions, energy, water or resources, particularly through the use of virgin rather than recycled material
- consider packaging, its degree of recycled content and recyclability after use
- seek options to extend the product's longevity via reuse, repair, upgrade or modification.

Reduce resource use

We encourage staff to think of ways to make existing products and projects more efficient; for example, by reducing energy consumption, using fewer materials in construction and making materials easier to recover for reuse. We aim to collaborate with designers and suppliers on new projects to adjust the brief to achieve the same goal with fewer resources. For example, the brief can specify functional rather than technical requirements, allowing suppliers to find the most efficient solution.

Reduce waste

For existing projects, we encourage staff to adopt 'material passports' or otherwise flag materials for reuse, re-manufacture or recycling where appropriate. New projects can use these materials when they become available rather than sending them to landfill. Staff can find ways to reduce resource use, increase the amount of reused and recycled materials procured, and define how the materials should be disposed of when broken or otherwise no longer usable.

Increase the use of recycled materials

We stimulate sustainable business practices by favouring circular business models, recycled or recyclable content and responsible decommissioning. We want to create a low-risk environment for pioneers to experiment.

ReSOLVE framework

Where staff work on more generic projects, we recommend they consider the ReSOLVE framework:

- **Regenerate** – focus on projects and solutions that use renewable energy and materials.
- **Share** – find ways to increase the lifespan of products by sharing, reusing and prolonging their life before they are turned to scrap.
- **Optimise** – reduce resource use, increase efficiency and think of ways to leverage our information as an organisation to optimise our resources.
- **Loop** – keep materials in use, remanufacture old products to create something new, recycle materials and keep products away from landfill.
- **Virtualise** – find opportunities where it is appropriate to transition to digital services or amenities.
- **Exchange** – identify elements unfit for a circular economy and replace them with modern alternatives that can function in a better future.

BIODIVERSITY AND CLIMATE RESILIENCE

City of Melbourne declared a Climate and Biodiversity Emergency in 2019. We recognise that climate change and mass species extinction pose severe risks to the people of Melbourne and Australia. We require urgent action to reduce emissions, address climate change impacts and reduce human effects on species extinction.

This section has two underlying drivers of action: conserving and restoring local biodiversity and protecting infrastructure and human health and wellbeing from climate change-induced extreme weather.

We have significant biodiversity within the city, including hundreds of bird species and thousands of insects, which must be protected and restored. We face substantial local impacts of extreme weather, such as flooding and heat. We must employ methods to cool the city during heat waves, use permeability and greening to mitigate extreme weather, and improve the thermal comfort of buildings to protect people.

Considerations and outcomes

We aim to challenge new and existing suppliers to:

- increase the city's passive cooling efficiency – for example, by improving canopy cover
- implement innovative, nature-based solutions – for example, by using green infrastructure and water sensitive urban design
- protect and enhance the natural environment
- protect waterways by incorporating drainage, water storage and increased permeability into building retrofit designs
- connect people with nature

- consider supply chain impacts on biodiversity and change or demonstrate practices to reduce their biodiversity footprint.

What we do

Increase passive cooling

We encourage passive cooling design elements – such as trees and vegetation – that aim to create cool public spaces, travel routes and improved thermal comfort.

Increase permeability

We encourage permeable design solutions that reduce stormwater run-off by permitting rainwater to be absorbed into the soil. Passive irrigation and stormwater harvesting will also reduce the severity of flooding in heavy rainfall events.

Protect and enhance the natural environment and encourage new green spaces

We promote green infrastructure – such as trees, rain gardens, and green roofs and facades – which provides passive cooling, creates habitat for biodiversity, and reduces runoff during extreme rainfall. Green spaces also allow opportunities for recreation and connecting with nature.

We seek to protect and enhance existing habitats in the city – for example, remnant vegetation, parks, residential gardens and waterways – and improve the connection between these areas. When designing green spaces to promote biodiversity, we encourage planting indigenous or native species where possible and integrating structurally complex vegetation, including understory habitat.

Reduce biodiversity footprint

We encourage efforts to mitigate supply chain impacts on biodiversity. Suppliers should detail the biodiversity impacts of their products and operations, as well as procedures to reduce those impacts or compliance with any biodiversity certification or standards. Biodiversity footprint reduction efforts include:

- **Cleaning** – choose cleaning services that use green, concentrated formulas in recyclable or reusable packaging.
- **Waste** – recycle construction and demolition waste and cut back domestic general waste collection to encourage organic waste disposal.
- **Catering** – set our default catering options to vegetarian.
- **Infrastructure** – examine where our sand and aggregate come from, seek to use them efficiently, and, where possible, substitute them with secondary materials.
- **Office supplies** – prioritise certified, recycled, reusable and biodegradable alternatives and provide separated waste facilities in offices.



Image caption: Social Sustainability – supporting Aboriginal businesses and peoples

Social sustainability

The diversity of our municipality is one of our greatest assets. We are proud of Melbourne's diverse communities and recognise that we are all better off when everyone contributes and thrives. Everyone should benefit from participating in our city's social, economic, cultural, physical and political life.

We aim to use our buying power to generate social impact above and beyond the financial value of the goods and services we purchase. We incentivise suppliers – and their supply chains – to adopt and maintain fair, inclusive and sustainable business practices. We want to create a more sustainable and equitable society that builds prosperity for all.

Under social sustainability, we prioritise inclusion for Aboriginal businesses and people and people experiencing social or economic exclusion or disadvantage.

City of Melbourne recognises the critical importance of using fairer, more inclusive and more accessible procurement practices for small, socially diverse and Aboriginal businesses. In doing so, we envision a more competitive marketplace where these organisations can build capacity and employment opportunities while having a positive and sustainable impact within and for their communities and the environment.

In our Inclusive Melbourne Strategy and aligned strategies focusing on specific parts of the community, we set out our ambition for economic growth and investment that ensures no one is left behind. Inclusive Melbourne sets three overarching priorities: an organisation, services, programs and places for all; a sustainable and fair recovery from COVID-19; and empowered, participatory communities.

We have also adopted several aligned strategies and action plans that guide our social procurement:

- Innovate Reconciliation Action Plan 2021-23
- Affordable Housing Strategy 2020-2030
- Disability Access and Inclusion Plan 2020-24
- Women's Safety and Empowerment Action Plan 2021-24
- Melbourne: A Great Place to Age 2020-24.

ABORIGINAL BUSINESSES AND PEOPLES

We are committed to an Aboriginal Procurement Strategy to leverage our procurement spending to drive demand for Aboriginal goods and services. We aim to stimulate Aboriginal economic development and grow the Aboriginal business sector directly through contracts and indirectly through major suppliers via subcontracting opportunities.

What defines an Aboriginal business?

Aboriginal businesses must be at least 50 per cent Aboriginal-owned. As discussed earlier, we are aware of black cladding, in which non-Aboriginal businesses or individuals take unfair advantage of an Aboriginal business or individual to secure otherwise inaccessible procurement

contracts. We only select Aboriginal suppliers endorsed by Kinaway or Supply Nation.

Considerations and outcomes

We partner with Aboriginal businesses and peoples to strengthen and build economic growth in local Aboriginal communities by:

- recognising the value that Aboriginal businesses bring to City of Melbourne
- increasing procurement from Melbourne and Victorian-based Aboriginal businesses, in particular, those registered with Kinaway and Supply Nation
- growing employment for Aboriginal peoples by suppliers, building capacity and skills within organisations that have appropriate support systems
- monitoring the success, growth and satisfaction of City of Melbourne and Aboriginal suppliers via appropriate qualitative and quantitative reporting.

What we do

Increase procurement from Melbourne-based Aboriginal businesses

Kinaway and Supply Nation are membership-based entities that support and build Aboriginal business capacity and growth. Supply Nation has a national membership base, while Kinaway services Victorian Aboriginal businesses, many of whom are sole traders. We are a member of both organisations and work with them to improve our knowledge of Aboriginal suppliers within the municipality and to share procurement opportunities with their members. We advertise tendered contracts directly on the Supply Nation portal.

Increase employment of local Aboriginal peoples by suppliers when appropriate

We strongly support and encourage their recruitment of local Aboriginal peoples by non-Aboriginal suppliers, where they demonstrate they have developed and implemented a robust Aboriginal employment plan and provide a culturally safe environment for Aboriginal staff.

Increase subcontracting of Aboriginal businesses

Many Aboriginal businesses, particularly small to medium-sized enterprises, offer cost-effective products and services as subcontractors. We encourage large or established suppliers to seek out suitable Aboriginal subcontractors. Being part of these contracts builds the experience and capacity of Aboriginal suppliers, improving their ability to seek larger-scale procurement contracts and opportunities.

PEOPLE EXPERIENCING SOCIAL OR ECONOMIC EXCLUSION OR DISADVANTAGE

The sustainable procurement framework assists our staff in evaluating the social value of doing business. We seek to purchase from social enterprises, not-for-profits and registered charities with a social inclusion purpose, and

businesses creating notable employment opportunities for particular cohorts. Doing so can assist us to:

- target cohorts that may be experiencing social and economic exclusion
- develop local communities
- improve equity of access to economic and social opportunities
- ensure an inclusive and equitable recovery from the economic impacts of COVID-19.

Considerations and outcomes

We aim to increase opportunities for people experiencing social and economic exclusion and disadvantage by increasing our procurement from social enterprises and not-for-profits and registered charities with social inclusion missions. Social enterprises trade to tackle social problems, improve communities, provide access to employment and training, or help the environment. Social Traders certifies social enterprises and ensures they adhere to impact standards aligned with our objectives.

We also facilitate the creation of new jobs and opportunities for people who need help finding work, through our large contracts and tenders. For example, a large construction firm may set a meaningful target for diverse employment and suitably support the employees they recruit to meet this target. We manage this kind of social procurement on a case-by-case basis. It will likely involve our staff confirming the terms of such arrangements.

We want to work with various organisations that support people throughout the community, including:

- people with a disability
- young people
- older people
- culturally and linguistically diverse communities
- women
- LGBTIQ+ people
- people experiencing or vulnerable to homelessness.

What we do

Increase procurement from social enterprises and mission-aligned not-for-profits and registered charities

We encourage staff to increase procurement from social enterprises, not-for-profits and registered charities with missions that support employment for those experiencing social and economic exclusion. We work with Social Traders to help staff find appropriate suppliers for specific purposes.

Increase employment opportunities for those experiencing economic exclusion

We encourage procurement from businesses willing to provide employment opportunities and education for those

experiencing social and economic exclusion. Specifically, we encourage:

- creating new jobs and opportunities for people who may be struggling to find work
- increasing employment and skills through training, internships and apprenticeships
- tying mentoring with education through TAFE and university.

Where appropriate and feasible, we support this outcome by setting employment targets in tenders and contracts. We do so carefully to ensure that employers are well-equipped to support employees from various backgrounds and with various needs. For example, employees must feel culturally safe and have any accommodation needs met.

How to contact us

Online:

melbourne.vic.gov.au

In person:

Melbourne Town Hall - Administration Building
120 Swanston Street, Melbourne
Business hours, Monday to Friday
(Public holidays excluded)

Telephone:

03 9658 9658
Business hours, Monday to Friday
(Public holidays excluded)

Fax:

03 9654 4854

In writing:

City of Melbourne
GPO Box 1603
Melbourne VIC 3001
Australia



Interpreter services

We cater for people of all backgrounds
Please call 03 9280 0726

03 9280 0717 廣東話
03 9280 0719 Bahasa Indonesia
03 9280 0720 Italiano
03 9280 0721 普通话
03 9280 0722 Soomaali
03 9280 0723 Español
03 9280 0725 Việt Ngữ
03 9280 0726 عربي
03 9280 0726 한국어
03 9280 0726 हिंदी
03 9280 0726 All other languages

National Relay Service:

If you are deaf, hearing impaired or speech-impaired,
call us via the National Relay Service: Teletypewriter (TTY)
users phone 1300 555 727 then ask for 03 9658 9658
9am to 5pm, Monday to Friday (Public holidays excluded)

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CITY OF MELBOURNE