



Sustainable Procurement

Jefferson Hopewell
Sustainable Procurement Officer
Health Purchasing Victoria

Health Purchasing Victoria (HPV)

- Statutory Authority under *Health Services Act (Victoria)*

Functions of HPV include:

- facilitate the supply of goods and services to public hospitals and other health or related services on **best value terms**;
- in relation to the **supply of goods and services**, and the **management and disposal of goods**
 - Develop, implement and review policies and practices to promote best value and probity, and
 - Provide advice, staff training and consultancy services

Sustainable Procurement

A process whereby organizations meet their needs (for goods & services) in terms of benefiting not only themselves, but also society and the economy, whilst minimizing damage to the environment:

Paraphrased from:

'Procuring the Future', Sustainable Procurement Task Force 2006

Sustainable Procurement

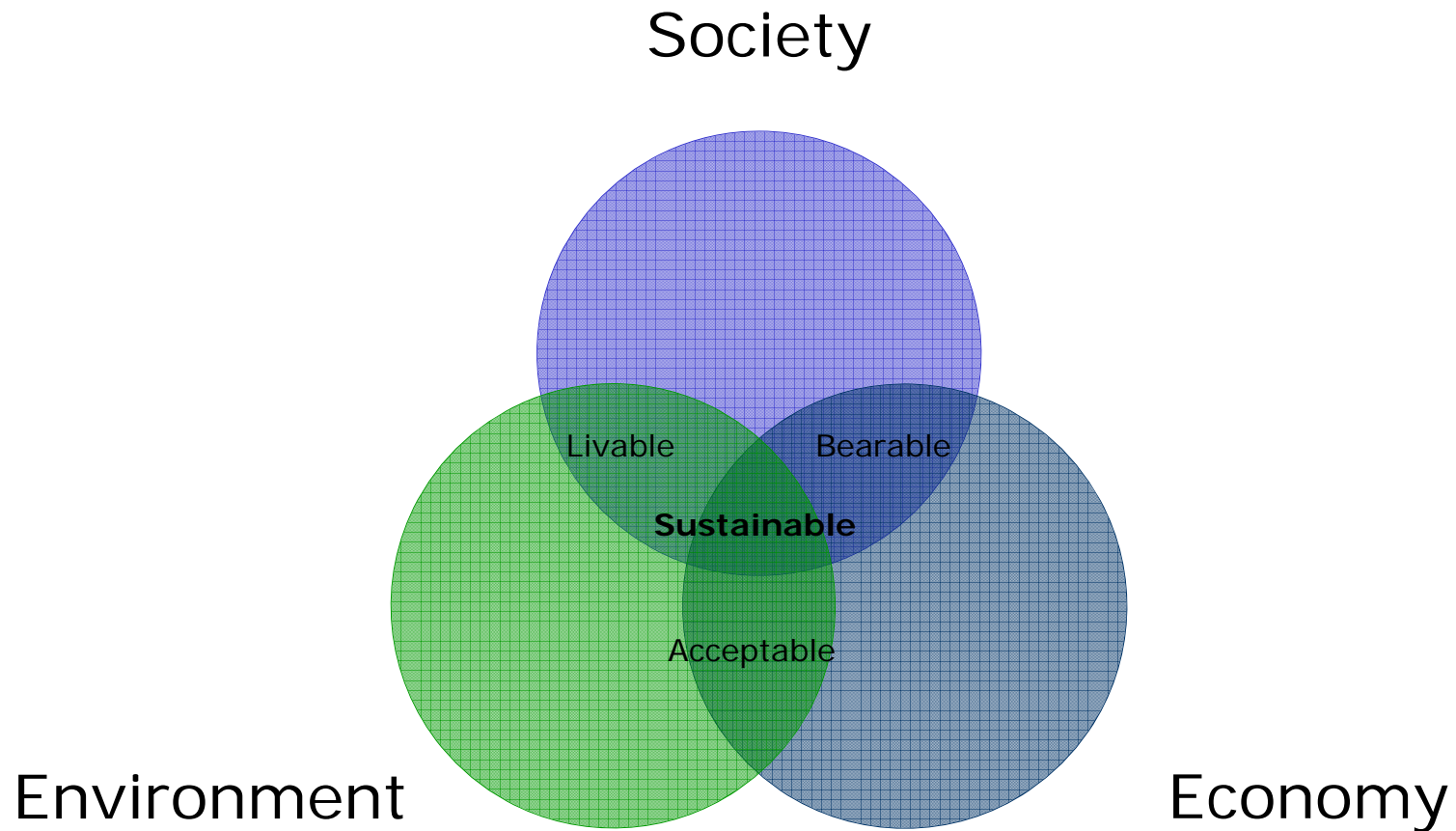
- meets need for goods & services,
 - now and in the future
- provides value-for-money
 - across 'whole-of-life' basis, not just upfront cost
- considers benefits/impacts to society, the economy and the environment
- is “good procurement”

Data Analysis

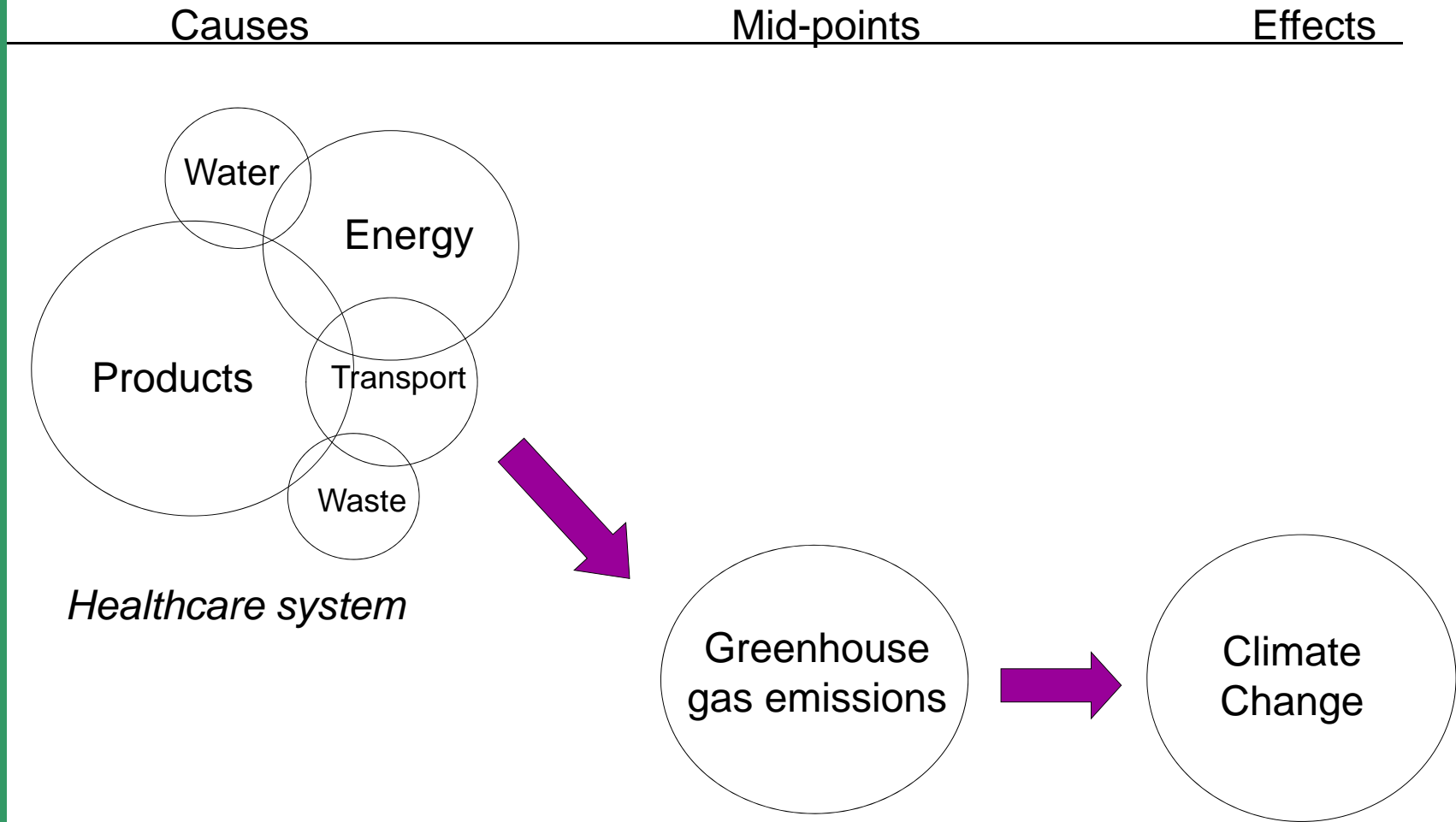
Why are we concerned about healthcare procurement for sustainability?

- Waste is a long acknowledged issue
 - estimated 260,000 tonnes/year of solid waste generated through public hospitals
- “Eco-footprint study” performed on 2007-2008 data from Southern Healthcare
 - Consuming products causes close to two-thirds of the total environmental impact of healthcare
 - Consistent with a UK NHS study done earlier

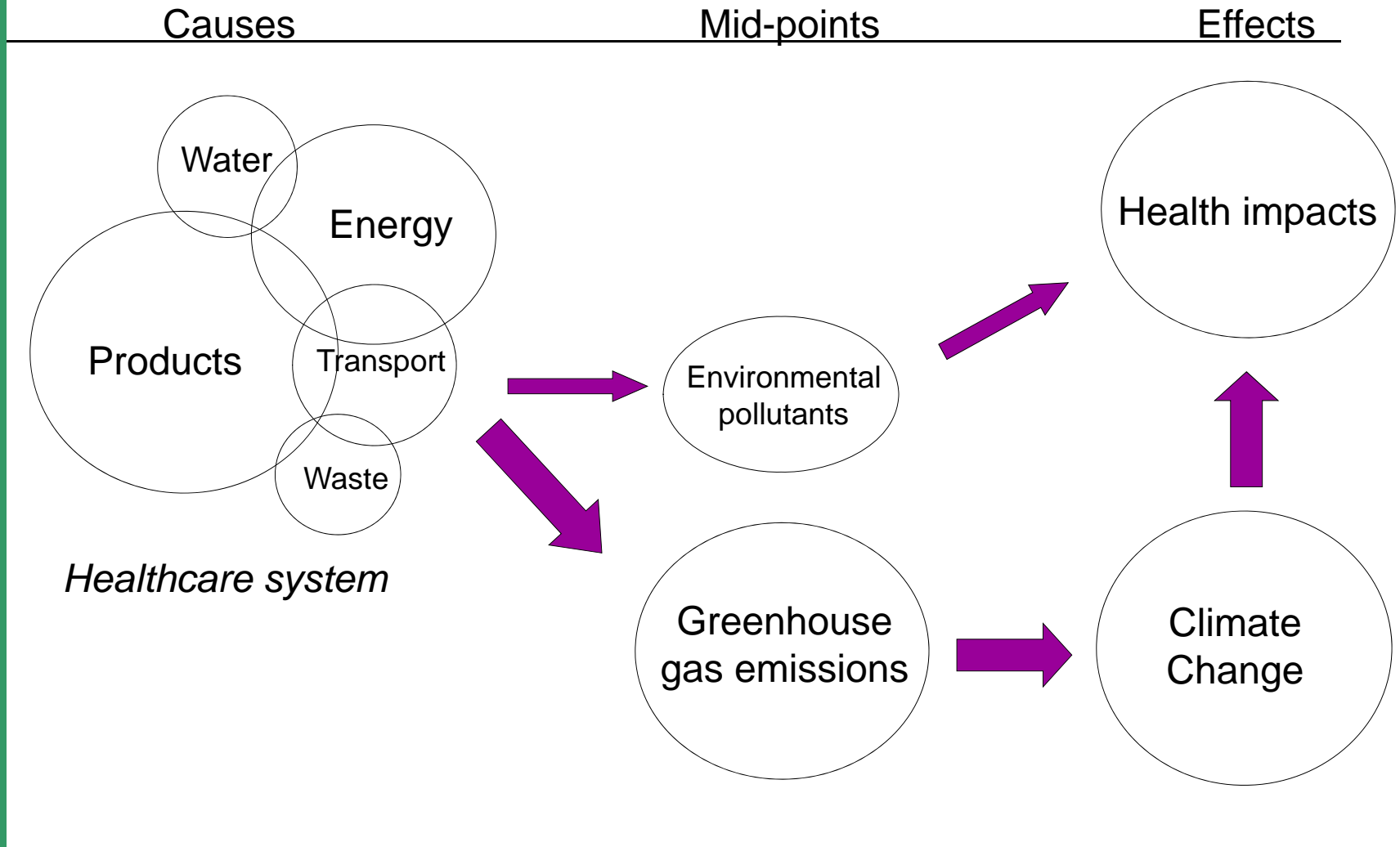
UNED 'sustainability diagram'



Environmental impacts



Environmental impacts



Broader sustainability issues

Biodiversity

Resource Depletion

- Renewable resources
 - Water, Agriculture, Forestry & Fisheries
- Non-renewable resources
 - Minerals & Metals, Fossil Fuels

Social changes

- Expectations on healthcare services
 - Population that is both growing and aging
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Overarching Policy Statement

- The Victorian Government seeks to purchase goods and services that are aligned with the objectives of environmental sustainability.

What is HPV doing towards Sustainable Procurement?

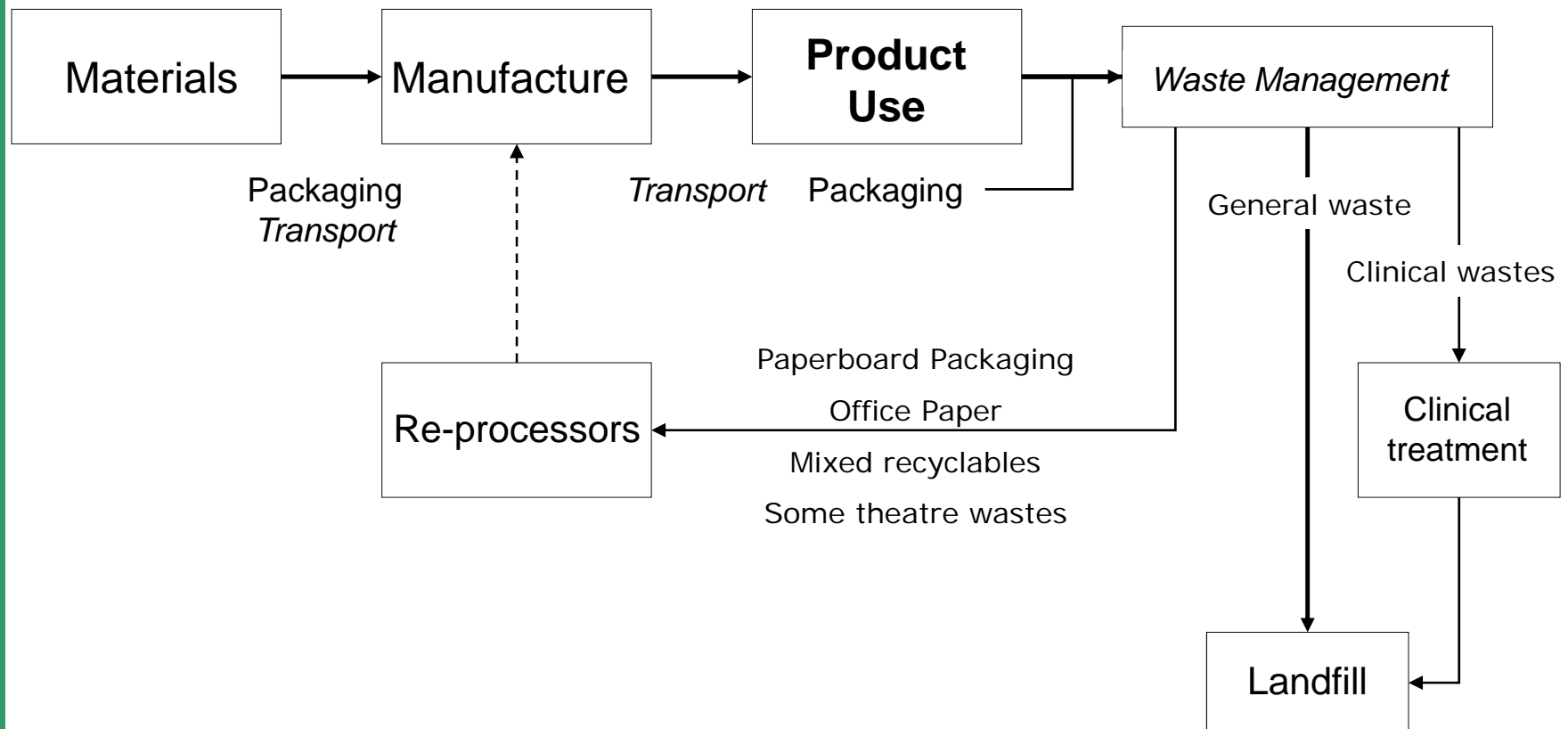
- Project:
 - Analysis across healthcare spend on the impacts and ability to influence environmental outcomes
 - Investigate needs and expectations of healthcare services around sustainable procurement
 - Implement best practice sustainability clauses into HPV tenders and contracts for collectively purchased goods and services
 - Provide support to health services in making more sustainable procurement decisions

Methodologies

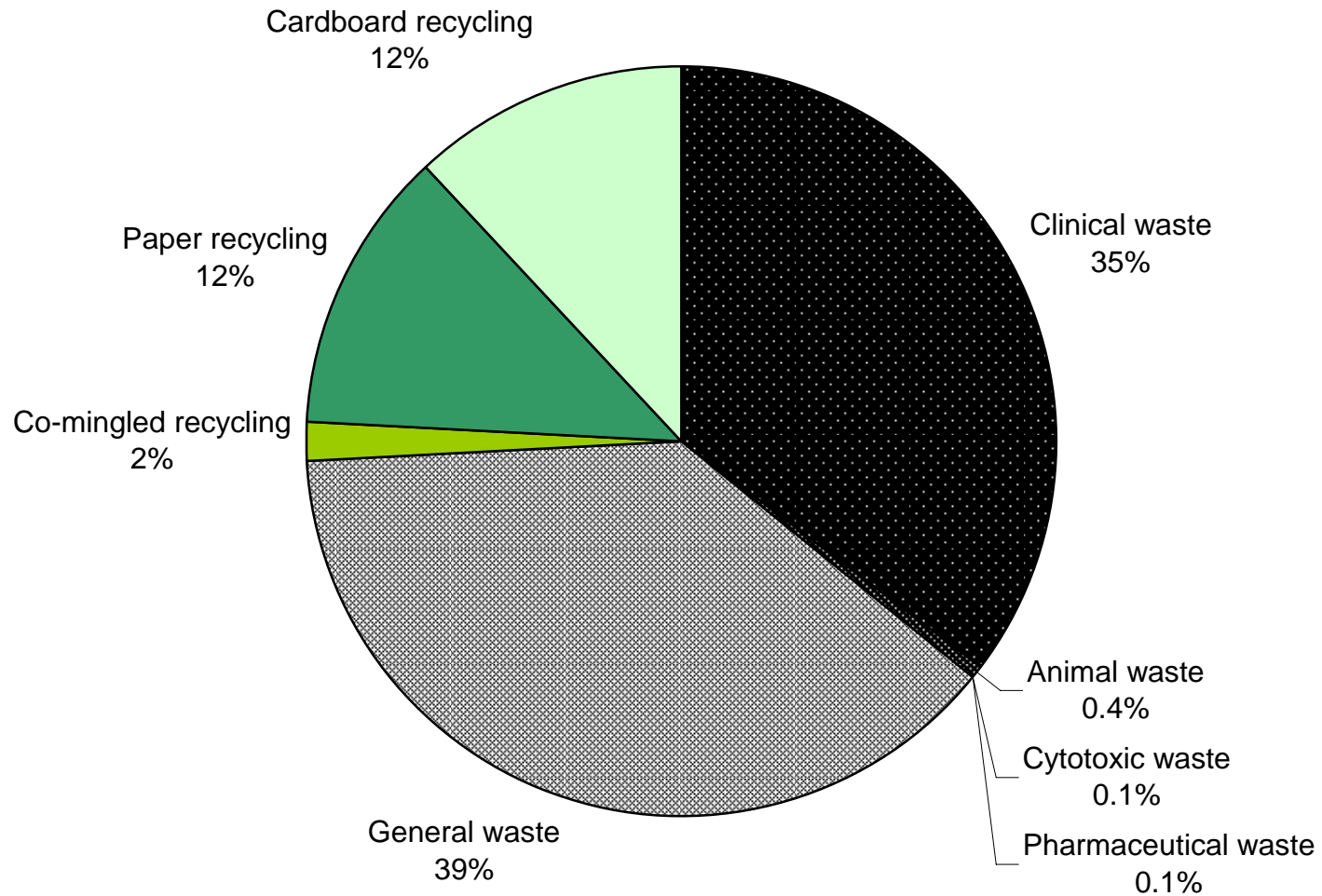
- Taking a product life cycle approach
- Identifying points of influence in supply chain
- Developing a range of appropriate strategies
 - Tender process
 - Contract management
 - Product evaluation
 - Supplier engagement
 - Purchasing support

Life cycle map

Material producers - Product Manufacturers (Distributors) - Operations & Maintenance

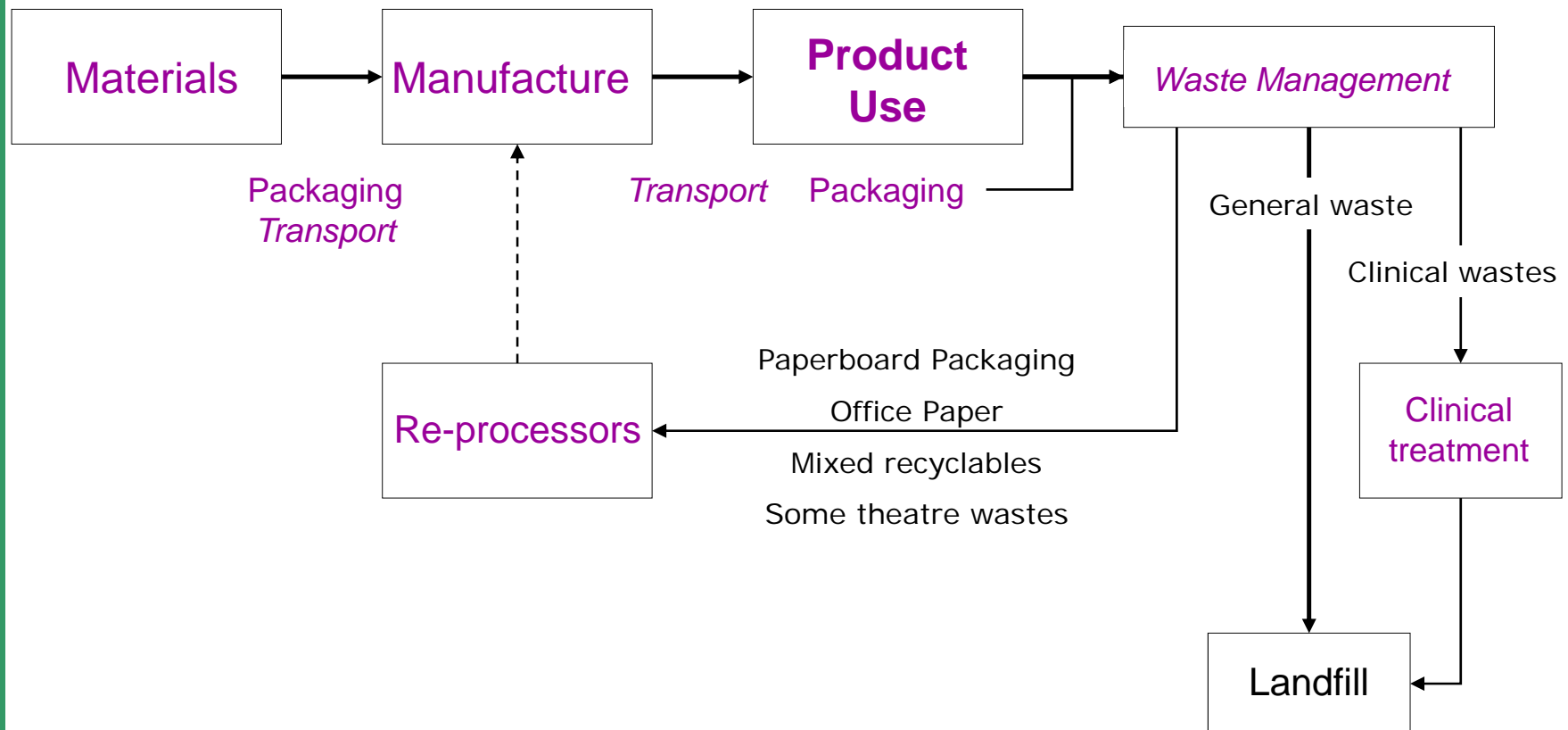


Waste management audit data



Life cycle map

Procurement decisions can have influence on many of these areas

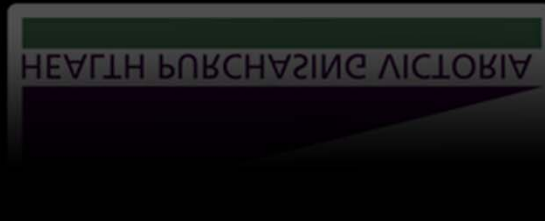


Desired outcomes

- Identify & promote best/better practices across health services
 - Product assessment & selection
 - Evaluate the methods and tools being used
 - Product consumption
 - Supply chain management
 - Clinical practices
 - Waste management
 - Recycling
 - Data collection methodologies

Desired outcomes

- Improve HPV Tender & Contract outcomes
 - General clauses
 - Clauses specific to particular product categories
 - Evaluations on environmental performance
- Tools to assist product evaluation & selection
- Supplier engagement



Jefferson Hopewell

Sustainable Procurement Officer

j.hopewell@hpv.org.au

(03) 9947 3720