



**GAUTENG PROVINCE**  
AGRICULTURE AND RURAL DEVELOPMENT  
REPUBLIC OF SOUTH AFRICA



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Science and Innovation  
REPUBLIC OF SOUTH AFRICA



# GAUTENG GREEN PUBLIC PROCUREMENT GUIDELINE: TOWARDS SUSTAINABLE PUBLIC PROCUREMENT

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A Statement of Guiding Principles for Implementation

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### Gauteng Green Public Procurement Guideline: Towards Sustainable Public Procurement, March 2024

In order to be immediately considered and to be easily implemented, this guideline is split into four steps<sup>1</sup>. These four steps are the sequential phases in the procurement process itself: first, planning a procurement; second, going to market with the procurement and interacting with potential suppliers about the procurement through a particular method (such as open competitive bidding); third, evaluating bids received and concluding a contract with a supplier; and, fourth, overseeing and monitoring the supply of goods, services, or works procured. These steps overlap to a degree; in particular step four (monitoring and contract management) often does and should form part of step one (procurement planning).

In addition to consisting of a guidance document for civil servants implementing public procurement policy, we expect the questions here will in time become part of the training or induction of SCM officials across the province so that they would know which are the correct questions to ask or alternatives to consider that will indicate that the decision and type of procurement is indeed green and grounded in climate change principles.

#### Step 1: Planning a procurement

This section of the Gauteng Green Public Procurement Guideline is designed to provide guidance on how procuring institutions in the Gauteng Province can consider sustainability when planning a procurement. This step has four sub-sections – which are outlined separately and in a logical sequence, but which will usually be applied and used simultaneously.

**First**, what is the need? A critical consideration of the business need for procurement will avoid and reduce waste. Have you considered demand management strategies? Is the procurement really needed?

What are the alternatives to buying – green alternatives often include reusing, hiring or sharing goods or services. In relation to the procurement, are there different types or levels of performance standards that do more (or do less) to promote sustainability? Green procurement can mean non-procurement.

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<sup>1</sup> The principal model for this guideline is an Australian policy document which divides the procurement cycle into six phases. Department of Agriculture, Water, and Environment (Australia), “Sustainable Procurement Guide: A Practical Guide for Commonwealth Entities” (Australian Government, 2021), <https://www.dcceew.gov.au/environment/protection/waste/publications/sustainable-procurement-guide>.

**Second**, what is the range of potential sustainability effects of the procurement? What are the different routes that could be taken to get to these effects? Is recycled material used whenever possible in making the good or performing the service? Why or why not? Do the goods or services use excess energy or water? What sort of packaging is used for goods? Are options available to increase the use-life of the good to be procured, including repair, reuse, upgrading, or modification? Does the procurement potentially contribute to some Province-wide strategy (such as moving to e-vehicles, even for messenger services etc.).

**Third**, what are the risks to sustainability that this procurement brings? Are there risks from using recycled content? If there are, can the buyer (the procuring institution) or the supplier manage those risks? What are the ways to mitigate the risks related to the sustainability factor? Can goods or services be procured with an appropriate ecolabel or satisfying a particular standard or having a particular green certification?

**Fourth**, what does market think of how you are designing or specifying the good or service from a sustainability point of view? Individuals or firms in the market in the private sector may well already have goods or services available that produce good sustainable effects or know of alternative approaches. Engaging the market and doing some market research on sustainability and the procurement also signals to the market that government is interested in purchasing innovative goods or services that have good sustainable outcomes.

## **Step 2: Going to market with the procurement. Evaluating and selecting potential suppliers; filtering out some suppliers.**

This section of the Green Guideline is designed to provide guidance on how procuring institutions in the Gauteng Province can draft and put sustainability requirements and standards into the procurement documents that are used in going to market. These sustainability requirements and performance standards will be used later in evaluation, awards, and in contract management. This step has three sub-sections – which are outlined separately and in a logical sequence, but which will usually be applied and used simultaneously in this step.

**First**, what sustainability specifications are in your procurement documents? No such specifications means no sustainability. Are the sustainability specifications clearly marked as either mandatory, minimum, or desirable? Which level of requirement is most appropriate in this procurement?

**Second**, what information about sustainability will you need – and thus need to ask for – in order to decide among the competing tenders (bids) – are the appropriate questions directed to the suppliers contained?

**Third**, looking ahead, how will this procurement be implemented in a sustainable manner? Is there a disposal method specified (e.g. with a specified percentage of materials recycled)? Are the relevant performance standards and certifications identified and put into the documentation?

### **Step 3: Evaluating tenders (bids) and awarding a contract.**

This section gives guidance on how environmental considerations can be included with other criteria in evaluating tenders and in awarding a contract after evaluation. Tenders will be evaluated in terms of the procurement documents and the criteria placed there, including value for money and targeted procurement as well as the green specifications in the procurement documents. The substantive content of step two (going to market) are thus important in this stage of evaluation and awarding. Despite this linkage, in procurement, the methods and criteria used in the evaluation and awarding need to be considered on their own terms.

**First**, has a method including specific attention to green/sustainability criteria been chosen for evaluating this procurement? Where is this being done? For instance, in evaluation of open competitive bidding through the points formulas, green/sustainability factors may be included in preference points or in non-preference points through costs and benefits.

The calculation of the total cost of ownership (the cost of a good, service, or infrastructure over its lifetime – thus including acquisition, maintenance, operation, and disposal costs) is a costing method that usually incorporates and takes account of sustainability considerations. One method used for total costs of ownership is life cycle cost (LCC).

**Second**, have you made sure that performance measures and sustainability requirements are reflected in the contract that is awarded? Is there a scorecard? Are there sub-minimums? If there are incentives for sustainability, are they present in the contract? If there are contract negotiations prior to final award, are the specified green/sustainability factors part of the negotiation discussions?

**Third**, as part of supplier development and long-term relations, is it worth debriefing unsuccessful tenderers in order to discuss sustainability criteria that were not met and thus to promote supplier capability to meet sustainability requirements?

### Step 4: Monitoring contract performance and managing contracts

This section gives guidance on the final step in the procurement cycle: how to be monitoring the supplier's performance after the contract is awarded and to be managing the contracts. The focus here is how to ensure that the sustainability requirements embedded in the contracts resulting from sustainable public procurement are implemented. This includes putting into place and verifying verifiable conditions as well as formulating the contract to include such conditions in the first place. This often means defining the terms of the contract clearly.

**First**, what is the method to be used to monitor compliance with sustainability requirements in a contract between the procuring institution and a supplier? A number of different methods may be used. One method is to ask a supplier for the supplier's annual environmental or sustainability report. Another method is to make site visits to monitor directly the supplier's performance. Who will have the expert knowledge to monitor the contractor? A third method is to schedule ongoing contract meetings, reviewing performance against the contract.

**Second**, what is the plan for the disposal of goods? Where possible, the disposal of goods and materials should be part of procurement planning and the procurement documents. The supplier should be responsible for sustainable disposal. For sustainable disposal, consider managing waste according to what's best for the environment.

This Guideline was initially drafted by Prof Jonathan Klaaren in terms of the Gauteng Sustainable Public Procurement Guideline project of GDARDE and was consulted with and finalized by the project's steering committee in March 2024. As directed by the PSC, the Guideline is intended for consideration and use by officials implementing sustainable public procurement in Gauteng and is not intended as an instruction manual. There are still uncertainties until the pending Climate Change Bill is promulgated. Furthermore it is considered prudent to test or pilot the guidelines in a GPG project(s) for refinement following which more detail can be added.

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