

Green Purchasing of General Commodities by the HKSAR Government

Introduction

Environmentally responsible purchasing is an effective tool to encourage the purchase of 'greener' products with improved recyclability, reduced packaging, greater durability and with high recycled content. The government procurement process is governed by the Stores and Procurement Regulations (SPR) issued by the Financial Secretary under the Public Finance Ordinance. The Government Supplies Department (GSD) serves as the procuring arm of the Government. To participate in the government-wide measures to control waste through environmentally responsible purchasing and reuse or recycling of materials, various government departments are required under the SPR to include environmental considerations when drawing up tender specifications. The GSD, in support of Government's environmental policy, has formulated an environmental goal, as follows:

"To be sensitive to the environmental impact of purchasing decisions and to take account of legitimate environmental concerns while continuing to achieve best value for money in the purchasing programme."

Initiatives in Green Purchasing

2. As the central procurement agent for stores and equipment required by various government departments and the Hospital Authority, GSD is committed to achieving this environmental goal through the following initiatives:

- Using supplies and materials efficiently;
- Encourage using or manufacturing with minimal or reusable packaging materials;
- Purchasing of products with high recycled contents;
- Encourage material recovery and recycling;
- Promoting the incorporation of environmental considerations into tender specifications drawn up by various government departments;
- Providing a new webpage on the GSD's website to promote the 'Green' concept within the Government; and
- The General Division of GSD has obtained the ISO 14001 accreditation on 28.2.2003 whereas the Procurement Division of GSD is seeking ISO14001 accreditation by end 2003.

Implementation

3. Reducing consumption of environmentally sensitive products is a key ingredient in any environmental protection or waste reduction programme. In this respect, GSD has taken steps to minimise the use of paper through greater use of electronic data interchange and office equipment. Examples are :

- In April 2000, the Electronic Tendering System was launched in GSD. The system, which allows subscribers to download tender documents and submit tender offers through electronic means in a secured manner, has greatly reduced the amount of tender documentation that has to be distributed in paper format.
- The standard terms and conditions in the tender documents have been uploaded onto the GSD website for reference by suppliers and for which no printing would be required.
- 110 government forms out of a total of 553 forms under GSD's control have been identified suitable for uploading onto the GSD website for use by departments and for which no stock will be kept.
- Government departments are equipped with photocopiers and printers that use both sides of paper.

4. On packaging, GSD has taken steps to ensure that all the packaging requirements are functional and not superfluous, as follows:

- (a) include in the tender specifications a special requirement which obliges contractors to declare that they have avoided unnecessary packaging; and
- (b) be specific on the use of packaging materials (e.g. cardboard boxes must be made from 100% recovered fibre).

5. As the Government's central storage and supplies organization for supplying departments with common user items, GSD is conscious of its commitment in supporting green purchasing and encouraging others to give their support. At present, GSD maintains about 37 items of products (Appendix I) where their specifications are geared towards removing features that may cause harm to the environment for service-wide use by various government departments. In 2001, GSD purchased approximately HK\$32M of environmentally responsible products, representing 10.5% of the total purchase value of the items maintained in its central store. Although these figures are relatively small when set against the total number of stock items and value held in its central store, it is however worth

App. I

noting that over 57 % of GSD's total stock items are products where green specifications are not applicable e.g. pharmaceutical items. GSD will continue to introduce new 'green' categories into the central store and promote their use across departments. The following data are indicative of GSD's effort in these areas:

<u>Green Initiatives</u>	<u>Target (2000/2001)</u>	<u>Achievement (2000/2001)</u>	<u>Target (2001/2002)</u>	<u>Achievement (2001/2002)</u>
Introduction of more items of environmentally responsible products in the central store	+10%	+14%	+15%	+17%
Increase in the utilization of environmentally responsible items	+10%	+13%	+15%	+25%

6. GSD is taking the lead in mitigating any adverse environmental impact of Government's purchase. In this respect, GSD has made continuous efforts to expand the green products lists and to promote their use across various departments. Examples are:

- the recycled/recovered fibre content required in the specification of recycled paper has recently been revised from 50% to 80%;
- the recycled/recovered fibre contents required for toilet paper and paper towel is 100%;
- use of recycled paper for printing of government forms;
- use of standard dry battery and alkaline battery with the mercury contents not exceeding 0.001% and 0.025% by weight per cell respectively; and
- use of phosphate-free detergents and correction fluid and thinner not containing ozone-depleting chemicals.

7. Waste reduction is one of the ways to help minimize environmental or waste disposal problems. Over the years, GSD has geared its efforts towards this direction through assisting departments in establishing contracts for buying and selling recyclable and reusable products. Contracts arranged by GSD for collection and removal of recyclable materials include: sale of paper waste, used lubricants, used transformer oil and metal scraps, used computers, televisions, unserviceable vehicles, refrigerators, room coolers, recycling of toner cartridges for laser printers and recovery of silver from used x-ray and photographic film fixing solution. GSD has also awarded contracts for the supply of ultra low sulphur diesel for use by all government diesel vehicles.

Environmental Factors in the Purchasing Process

8. GSD has established a system to take account of environmental factors in the procurement process, as follows:

- (a) Avoid single-use disposable items and purchase products with the following attributes -
 - improved recyclability, high recycled content, reduced packaging and greater durability;
 - greater energy efficiency;
 - utilizing clean technology and/or clean fuels;
 - which result in reduced water consumption;
 - which emit fewer irritating or toxic substances during installation or use; and
 - which result in reduced production of toxic substances, or of less toxic substances, upon disposal.
- (b) To conduct regular review of the tender specifications for items kept in the central store with a view to removing features that may cause harm to the environment and where alternative environmentally-friendly products are available;
- (c) Environmental factors, such as energy consumption, are incorporated into the tender specifications, where applicable. For instance, refrigerators and florescent tubes kept in the central store are with energy-saving features. Moreover, additional electricity costs will be taken into account when calculating the price of each offer where electricity consumption varies significantly between brands e.g. air-conditioner and water pumps.
- (d) With the joint effort of the Environment Protection Department (EPD), 13 non-GSD stock items (Appendix II) with green specifications available have been identified to facilitate departments to take on environmental consideration during procurement planning.

App. II

Webpage to Promote 'Green' Concept

9. A new webpage to promote the 'Green' concept within the Government was launched in October 2000 on GSD's website. Lists of green products available from the government central store and contracts for collection and removal of recyclable materials from the Government are promulgated through this webpage for reference by the various departments and members of the public.

ISO 14001

10. The Procurement Division of GSD is vigorously seeking ISO 14001(Environmental Management System) accreditation by end 2003 in order to bring its processes up to an acceptable level of environmental awareness and commitment.

Environmentally-responsible Product Specifications

11. GSD has been keen to go further in making its tender specifications environmentally friendly but, as general purchasing manager, it is conscious of the limitations in its knowledge of environmentally damaging features and of the alternatives to them. GSD therefore recognizes the need for expert advice.

12. In 2000, the EPD commissioned the Hong Kong Productivity Council to conduct a Consultancy Study on Environmentally Responsible Product Specifications in respect of the common-user items purchased by GSD. The study, completed in November 2000, reviewed and identified alternative green specifications, if available, for all the items concerned and recommended some guiding principles that provide broad guidance for the development of a marking scheme for procurement of environmentally responsible products. The report suggested that purchasing decisions also take into consideration environmental performance. The recommendations contained in the report provide a blueprint for a thorough revision of the tender specifications to avoid using environmentally sensitive products when acceptable alternatives exist. GSD has adopted the green product specifications recommended in the study report and has been making use of the marking scheme to recognize environmental factors in the tender evaluation process, where appropriate, when arranging new tenders for replenishment of the common user items. For example, the recommended green specifications and marking scheme have been used when tendering for the supply of printing paper and hydrocarbon lubricants and compound.

Waste Reduction Task Force for the Government

13. Relevant to the government procurement policy and activities, a Government Task Force has been set up under the Waste Reduction Committee to explore measures for government departments to reduce waste. This allows Government to set an example and persuade the local industry and the public to take account of waste-minimization factors in their procuring decisions.

Way Forward

14. While all parts of the machinery of the Government have the obligation to address environmental concerns in their course of work, environmentally responsible purchasing is an important part of the Government's strengthened environmental protection programme. For its part, GSD is committed to continuing the pursuit of its environmental goal with a view to further improving the environmental friendliness of Hong Kong as a whole. To demonstrate its commitment and concern to the environmentally responsible purchasing policy, GSD will continue with the existing measures and look for new opportunities to avoid unnecessary consumption of environmentally sensitive items, to minimize packaging and to promote reuse and recycling. GSD's immediate goal is to seek ISO 14001 accreditation of its procurement services by end of 2003 in order to bring its processes up to an acceptable level of environmental awareness and commitment.

Government Supplies Department
2003

Appendix I

Green Products in Unallocated Stores in regard to environmental procurement

<u>Item no.</u>	<u>Part Code</u>	<u>Description</u>
<u>Products with Recycled Content</u>		
1	12255310B	PAPER PHOTOCOPYING WHITE RECYCLED A4
2	12255330G	PAPER PHOTOCOPYING WHITE RECYCLED A3
3	various codes	PAPER ENVELOPE
4	10043530A	FILE JACKET C/W LEVER ARCH MECHANISM
5	10043550F	FILE BOX WITH LOCKSPRING FOR FOOLSCAP SIZE PAPER
6	13101111B	PAPER TOILET IN ROLL
7	10120050B	EASY FAX STICKER 101X38MM REMOVABLE SELF-ADHESIVE
8	10043520D	FILE JACKET C/W 2-RING SPRING MECHANISM
9	10003179L	PENCIL RECYCLED BLACK LEAD HB
10	10003189H	PENCIL RECYCLED BLACK LEAD HB W/ERASER
11	10003451K	PENCIL RECYCLED DARK BLUE
12	10003471D	PENCIL RECYCLED RED
13	TERM CONTRACT	JUMBO ROLL TOILET PAPER
14	TERM CONTRACT	PAPER TOWEL
<u>Environmentally friendly products</u>		
15	13024351F	YELLOW WASHING SOAP
16	13021750G	POWDER DETERGENT IN 25 kgs BAG
17	13020121K	CLEANSING POWDER, LAVATORY
18	13024528D	SOAP TOILET LIQUID 5 LITRES/DRUM
19	13024031B	SOAP TOILET
20	16009988K	CLEANER LIQUID ALKALINE(approx.) 25 LITRES DRUM
21	10002428K	PEN BALL-POINTED REFILLABLE BLACK
22	10002430A	REFILL FOR BALL POINT PEN BLACK
23	10002448D	PEN BALL-POINTED REFILLABLE RED
24	10002450F	REFILL FOR BALL POINT PEN RED
25	10003200B	CLUTCH PENCIL 0.5MM (MECHANICAL PENCIL)
26	10003210K	LEAD REFILL BLACK HB 0.5 MM IN PACK OF 12

27	10109510E	FLUID CORRECTION TYPEWRITING WHITE 20ML
28	10109520B	THINNER FOR DILUTING CORRECT FLUID 20ML
29	10109530K	TYPEWRITING CORRECTION FLUID PEN
30	23342101H	BATTERY DRY ALKALINE LR20(D)
31	23342140J	BATTERY DRY ALKALINE LR14(C)
32	23342160C	BATTERY DRY ALKALINE LR6(AA)
33	23342170L	BATTERY DRY ALKALINE LR03(AAA)
34	TERM CONTRACT	REFRIGERATOR DOMESTIC NOT LESS THAN 345 LITRES IN CAPACITY
35	TERM CONTRACT	REFRIGERATOR DOMESTIC NOT LESS THAN 270 LITRES IN CAPACITY
36	28382410H	DISPENSER DRINKING WATER MAINS-SUPPLY
37	TERM CONTRACT	170-220 LITRES DOMESTIC REFRIGERATOR

Non-GSD stock items with green specifications identified

1. PVC pipe and fitting
2. Polyethylene bag
3. Rechargeable battery
4. Printer cartridge
5. Compact fluorescent lamp
6. Air-conditioner
7. Washing machine
8. Water heater
9. Personal computer and monitor
10. Petroleum products :
e.g. lubricating oil
11. Traffic bollard
12. Petroleum passenger car
13. Retread tyre