

# SUSTAINABLE PROCUREMENT DIALOGUE POST EVENT EXECUTIVE REPORT

## 1. INTRODUCTION

It has all been the ambition of City of Tshwane emanating from the Sustainable Procurement Strategy to have Sustainable Procurement Dialogue as a way of igniting a discussion amongst the key stakeholders in the Green procurement trajectory. This has happened successfully in the afternoon of the 6<sup>th</sup> June 2018 during the Sustainability Week 2018 at CSIR ICC. It was a very well attended and interactive session between the panelist and amongst the audience around a particular subject matter. The dialogue is one of the awareness drive identified to communicate the Sustainable Procurement intentions of City of Tshwane in order for the city to take into consideration of what could be on the ground regarding the subject matter.

## 2. CONTEXTUAL OVERVIEW OF SUSTAINABLE PROCUREMENT DIALOGUE

City of Tshwane is embarking on a supplier development program by utilising various format depending on the circumstances. In either way there is a need to constantly have a robust dialogue especially because the issue of Sustainable procurement in a local sphere of government is still a new concept which is viewed to be impossible to implement.

Various collaborative partnerships will be initiated in different platforms to initiate and support the notion of Sustainable procurement which ultimately will be aligned to the SCM practices. City Sustainability and Supply Chain Management unit are the key drivers of Sustainable Procurement in the city. It has been acknowledged during the various consultative process that Sustainable procurement is huge and new concept which needs to gradually be introduced into overall institutional strategic plans.

It is for this reason that Tshwane Green outreach program has amplified its presence by adopting the supplier development activities as one of the key to roll out Sustainable procurement concept and also to assist in mainstreaming sustainability into the city operations through procurement.

## 3. DIALOGUE IMPLEMENTATION MODEL

Supplier development program on Sustainable Procurement requires a different approach into to achieve an impactful outcome. It requires an involvement of both private and public sector for it to produce significant results. A platform is created where private sector and the city collaborate to increase the momentum after realising the capacity need amongst the supplier or entrepreneurs and also to increase interest of becoming a responsible supplier of goods and services. The city requires a specialised expertise to specifically focus linking key role players whilst addressing specific producer and market needs.

The design and planning of Sustainable Procurement Dialogue was through in partnership with African Sustainable Development Association (ASDA). Amongst others The intention of the partnership is to drive Tshwane Green Pitch process by tapping into a supplier development program in a most innovative manner that there are tangible results outside to finalization of the partnership. Co-hosting the Sustainable Procurement Dialogue with ASDA has been the first and most successful activity out of this collaborative partnership.

The dialogue intended to reflect the SME capacity building / supplier development program in the form of the

Green pitching activity whereby the investors were linked the SMMEs to a certain extent over a commodity of demand at a later stage.

Sustainable Procurement Dialogue is actually one of the build-up activities to shape up the approach and outcomes of the envisaged green pitch event coming later around September 2018.

#### 4. KEY MESSAGES EMANATED AND ELABORATED DURING THE DIALOGUE SESSION

The objectives of the Dialogue were unbelievably realised through the key messages which were sent across through the general dialogue undertaken between the panellist and the audience at large. The panel was a balanced representation between academia, public and private sector by way of South African Local Government Association (SALGA) ; ICLEI; City – Supply Chain Management; South African Cities Networks (SACN) ; WWF ; Earn it ; Employment solutions ; University of South Africa (UNISA) ; National Cleaner Production Center -CSIR (NCPC); ASDA and GRI .

The audience was a complimentary of the representatives' from academia; SMME's; Industry; mines, banks

- ***Frame the business case for CoT pursuing Sustainable Procurement.***

UNISA as a representative of academia was giving an outline regarding how best should the city stimulate Green (circular & low carbon) economy and promote innovative partnerships towards the development of products and services with lower environmental impacts (decoupled from finite resources) throughout the product life cycle. They also had to frame the business case for CoT to pursue SP.

The dialogue has framed well the business case for City of Tshwane Sustainable procurement. Professor Nhamo of UNISA gave various scenarios by way of basing the analysis through the 9 pillars which generally confirms the fact that CoT has a business case to pursue the SP now more than ever.

The current positioning of Green Economy activities within the city is making it a requisite for the city to confidently drive the SP drive. Amongst others the following issues are the illustration of the readiness:

- ✓ Constructions of the green buildings within the city like Tshwane
  - ✓ Purchasing of 10 Electrical Vehicles as a demonstration program
  - ✓ Promotion of the Non-Motorized Transport
  - ✓ Hosting of the first African Green City – Menlyn Maine.
  - ✓ The fact that Strategy is already in the implementation stage shows the path the city has already undertaken around the SP.
- ***Enablers and barriers of SP in SA.***

ICLEI brought a thought provoking aspects of outlining the enablers and barriers of SP in the country. Most of them are hinted in the SP strategy but the dialogue assisted in contextualizing the issues by way of extracting ways of handling the barriers and taking advantage of the enablers. The dialogue also gave the indication that though the concept seems to be a dream but it is possible to can introduce the subject in smaller pieces using the current resources.

- ***To what extent will collaborative partnership between private and public sector enhance Sustainable procurement implementation?***

This topic was ushered by WWF on which the intention was to reflect as to what extent will collaborative partnership between private and public sector enhance Sustainable procurement implementation? What are key collaborative partnerships needed to drive markets towards innovation and sustainability especially in a green economy sector? How feasible is decoupling our growth and urbanization from finite resources (circular economy & new technology) – ensuring Sustainable City Transformation?

It was over emphasized that it will not be practically possible for CoT to drive the SP on its own, mainly because

procurement involves various stakeholder directly and indirectly. It is therefore important for the City to instead create a conducive environment which are needed to drive markets towards innovations and sustainability in a green economy sector. In the case of SP, the collaborative partnership is needed mainly between the private sector and public sector with SMME in the middle. A great intelligence is need to identify and screen the partnership and to align them to the important area of need. The partnership needs to be subjected to performance indicators which are constantly been analyzed to ensure that they are still addressing the initial objective.

- ***Industrial Symbiosis in Gauteng***

NCPC outlined the program of Industrial Symbiosis Introduce principle NCPC - Industrial Symbiosis which is found to be a great solution to most of the stakeholders. They outlined the best way of working with industries to ensure Green Economy Transformation e.g. implementing sustainable procurement.

The best mechanisms to accelerate SMME and Industries development in order to stimulate green and inclusive economic growth in City of Tshwane were also well reflected.

The dialogue was very directive about ways in which the SMME`s needs to leverage on the available government and private sector program which are already existing.

- ***What could lead to SME competitiveness in issues relating to Sustainability management and reporting on Sustainable Procurement?***

GRI gave an interesting picture about what could lead to SME competitiveness of CoT in relation to Sustainability Management and Reporting, mainstreaming in the Value Chain through Sustainable Procurement? The dialogue has made a reflection of the importance of the performance tracking of the supplier as a way of assisting them to become competitive. Rich knowledge was shares amongst the participant regarding a way of introducing sustainable reporting and also to the support available for the suppliers through a digital platform. The presentation confirmed the fact that already there are programs in the platform for the suppliers to take advantage of if they really want to position themselves strategically.

- ***Tshwane Green Pitch – SME Competitiveness AND Call for proposal***

ASDA outlined the overview of Tshwane Green Pitch event which intentions to find the linkage between the suppliers and the industry. Green Pitch is a platform which is created where private sector, suppliers and the city collaborate to increase the momentum after realising the capacity need amongst the supplier or entrepreneurs and also to increase interest of becoming a responsible supplier of goods and services. The city requires a specialised expertise to specifically focus linking key role players whilst addressing specific producer and market needs.

It was indicated that the call of proposal will go out within a month on which suppliers needs to pitch innovative green ideas to be taken through the process.

Sustainable Procurement Dialogue has paved a way for the roll out of Tshwane Green Pitch program which will unfold in the coming three months.

- ***Demand statements – CoT and Industry***

City of Tshwane through the Head of Supply Chain Management confirmed the commitment in driving the SP procurement. Sustainable Development path was well outlined in a way that it finds its way towards the SCM policy which is the key tool of procurement in CoT. The commitment made includes to gradually incorporates the sustainability elements into the SCM policy; to shift towards sustainable procurement and production patterns, to encourage the responsible procurement behavior and also to stimulate the local markets for more sustainable goods and services.

The Divisional Head indicated that the demand focus for City of Tshwane at the moment is mainly on sustainable energy; low carbon mobility; waste to value; water; agriculture and agro - processing and stakeholder engagement. These are the sectors which the city would like to have green innovative solutions from the suppliers.

- ***Life Cycle Cost Analysis***

SALGA led a discussion about How best can Life Cycle Cost Analysis (LCCA) or Total Cost Analysis (TCA) be fully implemented? What Mechanisms could be utilized to implement these system? Is it practical or possible to do it in the city?

This was a very heated discussion interfering for the current SCM policy. Though it seems to be a futuristic aspect looking at the current procurement status of the country but it is actually the solution to be given a greater focus if the organization are a serious about saving costs. There was clear illustration of how the city could benefit on the model in the long run during its service delivery program on areas relating to Municipal Health service; Energy efficiency, water conservation, air quality and waste management.

- ***Business eco system and Incubation support program for SMME in SA***

Two SMME`s (Earn international and Employment solutions) led a discussion on various issues relating to suppliers in the SP space which includes effectiveness of the SME`S incubation support system in SA; readiness of the SMME`s to scale up; How can business eco system enable sustainable growth; How does private sector investment in green innovation generate private profits and create large positive externalities for society and the environment.

This topic ignited an interactive discussion especially from the SMME`s present in the room. It also brought hope to the peers getting it from the source. It was clear from the discussion that it is important to explore the topic further.

## **5. CONCLUSION**

The collaborated facilitation by both City of Tshwane through SCM and AWISCA representative made a good combination and has allowed significant digging of the facts from the audience. It also illustrated the fact that the subject of Sustainable procurement does not necessarily have boundaries amongst private and private sector.

The comprehensive report regarding the overall discussion will form part of the report to be developed in due course on which the contextual information regarding the specific topic tackled by each panelist is well packaged.

It was clear that this kind of dialogue should be continuous until such that the stakeholder has grasped the subject of the importance of Sustainable Procurement. Driving the program of this nature requires some collective efforts from all the parties. City of Tshwane is well positioned and most importantly ready to increase its implementation effort on the Sustainable Procurement program as a whole.