

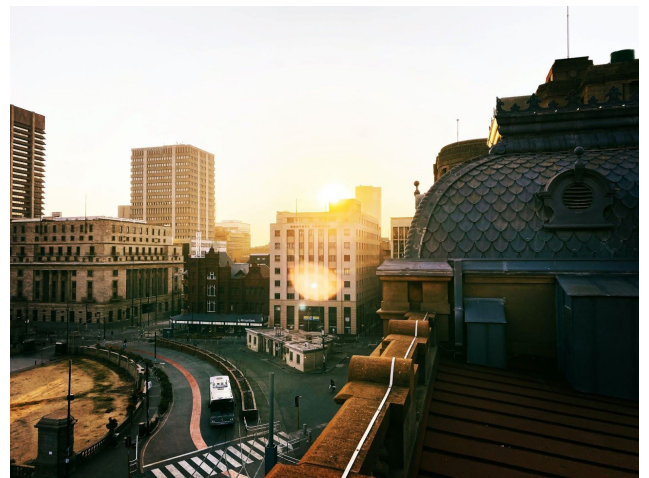


**GLOBAL LEAD CITY NETWORK  
ON SUSTAINABLE PROCUREMENT**

# City of Tshwane

(South Africa)

## Sustainable Procurement Profile



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**PROCURING SUSTAINABLY, LEADING GLOBALLY**



## Introduction

As one of the largest metropolitan municipalities in South Africa, the city of Tshwane delivers services to approximately 3.5 million inhabitants.

Ever since the city launched the [Tshwane Vision 2055](#), a roadmap to make the city more liveable, resilient and inclusive, the local government has embarked on a journey to leverage its procurement power to meet those strategic goals.

In the absence of a coherent policy framework on sustainable public procurement at the National Level, Tshwane decided to take a lead and develop its own policy framework on the matter. The Tshwane Sustainable Public Procurement Strategy, which was adopted in March 2017, seeks to support three strategic objectives:

1. Developing and stimulating a domestic market for more sustainable goods and services;
2. Supporting resource-efficiency across economic sectors;
3. Reducing greenhouse gas emissions

The development and implementation of the [Sustainable Public Procurement Strategy](#) are driven by the City's Sustainability Unit, established in 2013 to support the Tshwane Vision 2055. The Unit is in charge of rolling out sustainability initiatives across the city administration through policy development, research, awareness-raising campaigns and demonstration projects.

### Key areas

The research undertaken by the City's Sustainability Unit has identified key areas for the implementation of the strategy over the coming years. As the city Tshwane suffers from a reliance on imports and the difficulty of the local population to access employment on fair terms, a sustainable public procurement practice is seen as key in the following areas:

1. Local procurement / localisation of public purchases
2. Support for small, medium and micro enterprises
3. Preferential procurement and broad-based black economic empowerment
4. Recycling economy
5. Ethical procurement (human rights, labour practices and fair operating practices)

### Our SPP achievements

Through the lens of those 5 key areas, Tshwane has delivered successful sustainable procurement projects in the 4 sectors prioritised by the GLCN: transport, food & catering, construction and energy. It is also progressing at pace in the implementation of its ambitions on the recycling economy. The below table presents some of the city's key achievements.

## OUR SPP HIGHLIGHTS

### HIGHLIGHTS IN GLCN PRIORITY SECTORS

#### 1- Transport

- Tshwane signed the Clean Bus Declaration in 2014, committing the City to greening 40% of its bus fleet by 2020.
- Since 2014, the city has purchased 40 CNG-run buses with dual engines. As all new buses purchased by the city have to run on clean energy, the plan for the near future is to acquire a mixed fleet including both Electric Buses and CNG. The city is now in discussion with funding partners like [DBSA](#) and the [C40](#) network to investigate purchase of fully electric buses.

#### 2- Food and catering

- In 2016 the city launched the Tshwane Food and Energy Centre, an Agropolitan village that supports the empowerment of 25 small scale farmers and capacity building on profitable farming. The project also focused on energy self-sufficiency of the farm, which was designed to run on 100 percent renewable energies. Another key idea behind the Centre was to help increase the self-sufficiency of the city in terms of food production, supporting local supply chains to deliver fresh and affordable vegetables and poultry to the local population. Given its strong success, the city is looking into its replication in 6 other locations across the Tshwane metropolitan area.

#### 3- Construction

- In 2014, the city delivered its new Municipal Headquarters, a 2 billion Rand (ca EUR 104 million) project. The building, Tshwane House, was one of the first buildings in the city to achieve a 5-star Green grading status. The delivery of Tshwane House also supported the creation of 125 long-term jobs for local inhabitants, mainly in cleaning, security and landscaping roles.
- The city also used the construction of Tshwane House as an opportunity to raise awareness about the importance of greener buildings among its staff. In 2017, around 40 city officials received training on green buildings, using Tshwane House as a live case study. Further training covering the national building regulation standard SANS 10400 XA and the green refurbishment of buildings were held in 2018 and in 2019.
- The city has committed to apply the SANS 204 national standards for energy efficiency and environmental sustainability for all new and refurbished municipal buildings. Tshwane has also adopted a local bylaw to supplement the national standards with further requirements on water efficiency, sustainable waste management and sustainable transport.

#### 4- Energy

- In 2013, the city procured the first commercial 4.4 MW biogas plant in its hinterland, successfully introducing the idea of waste used as a resource. The facilities support 50 direct and indirect permanent and about 100 temporary jobs in the area. The city additionally regulates the price of the biogas produced to ensure a reliable income to the suppliers and a stable and affordable energy price to buyers.

## OTHER HIGHLIGHTS

### Recycling economy

Tshwane has made significant progress in the procurement of socially responsible and environmentally friendly waste management services:

- In 2016, it launched a refuse bag manufacturing facility launched in May 2016 employing exclusively locally unemployed youths and women on a three-year contract.
- The city now operates eight buy-back centres in low-income areas, where participating community members are rewarded for collecting and bringing in recyclables.
- The city is now looking into opportunities to integrate informal litter pickers in the implementation of their recycling projects. This will ensure that any public purchases regarding recycling benefit those informal economy workers.

### Sustainable Public Procurement of Vehicle Fleet and Information Communication Technology (ICT)

The City of Tshwane is aiming to operationalise sustainability in the procurement of ICT and vehicle fleet in the following ways:

- Applying sustainability criteria into procurement processes and tender specifications;
- Build capacity of technical staff and procurement officials by providing guidance on how to practically implement sustainable public procurement. This will be done by developing a guideline document for sustainable procurement and providing support through training workshops;
- Raise awareness among city officials through effective communication.

## Procurement in the city

### What we procure

The city keeps detailed records of its procurement activities, and has identified the 15 items which it purchases most frequently. Among those items, the highest areas of spend relate to fuel costs for public transportation (ca 12,400,000 Rand/ 646,000 EUR per month) and energy costs for electricity provision (ca 7,800,000 Rand / 406,000 EUR per month).

This considerable spending on transport and energy-related purchases create a significant case for leveraging opportunities to procure those more sustainably.

### Our strategy

In Tshwane, two documents introduced sustainability considerations in the city's strategic landscape, providing foundations for a sustainable procurement practice: the [2005 Tshwane Integrated Environmental Policy](#) and the [2014 Transition to a Green Economy Framework](#).

The city's [Supply Chain Management Policy](#), published in 2016, explicitly spelled out the relevance of sustainability in public procurement, but lacked measurable requirements to inform practice.

This gap was bridged in 2017 with the adoption of Tshwane's first [Sustainable Procurement Strategy](#). The strategy aims to drive forward sustainable procurement initiatives in Tshwane through a focus on seven objectives:

1. Embedding sustainable procurement within the Supply Chain Management Policy
2. Identifying the environmental, social and economic criteria and standards for sustainable procurement that can be incorporated into procurement decisions
3. Empowering staff to be innovative and demonstrate leadership by incorporating sustainability criteria into procurement decisions
4. Collaborating and supporting suppliers and service providers to develop environmentally-friendly products and services
5. Demonstrating the City's commitment to sustainable procurement through improved service delivery to residents, other public agencies and the private sector
6. Mainstreaming sustainability into citywide specific operations and developmental goals
7. Identify action plans across City departments

## How we procure

In Tshwane, procurement activities are decentralised, run by the various departments of the city. For all contracts worth over R 500,000 City publishes calls for tender on its [online procurement platform](#) and three local newspapers.

The City's Supply Chain Management Policy, available on the platform, guides the assessment of tenders with a clear focus on social inclusion. A Human Development Index (HDI) scoring system is notably used for all tenders, promoting the selection of suppliers who traditionally face barriers in accessing public contracts (people excluded from electoral system under Apartheid laws up to 1993 (women, young people, disabled people, small businesses owners etc.). The legal basis for this policy is rooted in the Preferential Procurement Policy Framework Act 2000.

The Sustainable Procurement Strategy additionally encourages procurers to systematically include green requirements in all tenders. As a general guideline, procurers are encouraged to set out green requirements in tenders as pass/fail minimum criteria. Strong preference is given to selecting suppliers who have achieved environmental certifications or adopted a robust environmental management strategy. The strategy also provides a list of generic criteria which can be used in all tenders, covering topics such as air pollution, energy use and safe disposal of waste.

The legal basis for those provisions is found in the national Public Finance Management Act (1999), which supports the inclusion of best value (rather than lowest cost) considerations in all public tenders, paving the way for the inclusion of sustainability requirements in their assessment.

## Our partners

In Tshwane, the Sustainable Procurement Unit can rely on a strong ecosystem and network of partners to drive forward its sustainable procurement ambitions. The following partnerships play a key role in supporting the city's vision:

### Strategic sustainability partners

- Tshwane is an active member of the [South African Cities Network](#). Cooperation with the network has supported several sustainability-related projects, including an update of the city's energy use profile, an assessment of its vulnerability to climate change, the development of Tshwane Green Outreach Programme and the preparation of the Sustainable Procurement Strategy.
- Tshwane is part of the [C40 network](#) of the world's megacities working to address climate change, which helps giving a strategic drive to the city's sustainable procurement ambitions. The signature of the Clean Bus Declaration committing the City to greening 40% of its fleet by 2020 arose from this partnership.
- Tshwane is a member of [ICLEI](#), a global network of more than 1,750 local and regional governments committed to sustainable urban development.
- Tshwane is a member of [Procura+ Africa](#), a network which aims to support African local governments to reap the benefits of sustainable public procurement through knowledge exchange and collaborations

### Partners and local stakeholders– transport sector

The city does not currently have partnerships to support sustainable procurement activities in the transport sector. It is however discussing a collaboration with the national Department of Transport, which approved in 2018 a [Green Transport strategy](#) to assist cities with initiatives and partnerships on knowledge sharing on the topic.

### Partners and local stakeholders energy sector

The City participates in the [City Energy and Climate Change Support Unit](#) (CESU) of Sustainable Energy Africa, which provides support to South African cities in their transition to clean energy.

It is also part of the C40 [New Building Efficiency \(NBE\) Program](#), which provides support with the developments of energy efficiency and renewable energy policies in Tshwane. Additionally, it is an active member of the C40 Clean Energy Network, C40 Municipal Buildings Network and C40 private buildings network.

Finally, the city has built a partnership with the [South African Council for Scientific and Industrial Research](#) (CSIR). They are working together on the revision of Tshwane's Green Building Bylaw.

### Partners and local stakeholders - construction sector

Tshwane is a member of the [Green Building Council South Africa's](#) (GBCSA). Technical expertise from the GBCSA supports the city in the procurement of sustainable building projects. This partnership has notably helped drive forward projects on building energy efficiency within the city.



## Procurement-related sustainable projects

Tshwane fully recognises that, in order to mainstream sustainable procurement practices in the city, it needs to build capacity on this topic in local communities.

The [Tshwane Green Outreach programme](#) is a key initiative which has been launched to this end. Established in 2014, the programme has helped educate stakeholders from across 7 communities on the importance of sustainability in the city. The activities of the programme are essential in a) increasing local demand for sustainable products and services b) encouraging local businesses to green their activities.

The implementation and outreach activities have mainly been held through events such as Earth Hour, the city's [Transport Month activities](#) (e.g. organised bicycle rides) and the [African Capital Cities Sustainability Forum](#) (ACCSF).

## Keeping track of procurement

The city has adopted a comprehensive framework to monitor its progress on sustainable public procurement.

The sustainable procurement strategy foresees the development of a comprehensive set of performance-measuring indicators and targets (such as the percentage of procurement orders meeting sustainability requirements), and tracking of progress over time.

All departments within the city administration are encouraged to set up their own indicators. The City Sustainability Unit is responsible for collating and reporting on citywide sustainability statistics, and performance must be integrated within the city's management reporting system.

## Future challenges

- Capacity training for procurement staff, to ensure guidance from the Sustainable Procurement strategy is implemented more systematically in practice
- Developing Sustainable Procurement Policy specifications and guidelines to facilitate the implementation of the Sustainable Procurement Strategy
- Advocating for the institutionalisation of sustainable public procurement. This would involve seeking greater political buy-in for the concept and promoting change and simplification of national legislation on public finances and procurement
- Supporting the local development of the skills needed to deliver the sustainable products and services which the city's Sustainable Public Procurement Strategy promotes
- Procuring a fleet of fully-electric buses
- Introducing guidance and standards on building adaptation and resilience within the city's building sustainability standards,

## Further information

RESOURCE	WEBSITE
Tshwane Vision 2055- Remaking South Africa's Capital City	<a href="http://www.gis.tshwane.gov.za/Documents/Online%20version-%20CoT%202055%20vision%5Bsmallpdf.com%5D.pdf">http://www.gis.tshwane.gov.za/Documents/Online%20version-%20CoT%202055%20vision%5Bsmallpdf.com%5D.pdf</a>
Tshwane Sustainable procurement strategy 2017	<a href="http://www.tshwane.gov.za/sites/Council/Office-Of-The-Executive-Mayor/Climate%20Action/006-Sustainable-Procurement-Strategy.pdf">http://www.tshwane.gov.za/sites/Council/Office-Of-The-Executive-Mayor/Climate%20Action/006-Sustainable-Procurement-Strategy.pdf</a>
Tshwane Supply Chain Management Policy (2016 update)	<a href="http://www.tshwane.gov.za/sites/business/Quotations/Quotation%20Docs/SupplyChainPolicy.pdf">http://www.tshwane.gov.za/sites/business/Quotations/Quotation%20Docs/SupplyChainPolicy.pdf</a>
South African Cities Network	<a href="https://www.sacities.net/">https://www.sacities.net/</a>
Sustainable Energy Africa Website	<a href="https://www.sustainable.org.za/">https://www.sustainable.org.za/</a>
C40 network	<a href="https://www.c40.org/">https://www.c40.org/</a>

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## About the GLCN on SP

The **Global Lead City Network on Sustainable Procurement** is a group of cities committed to drive a transition to sustainable consumption and production by implementing sustainable and innovation procurement. All participating cities are acting as ambassadors of sustainable procurement to lead to a resource efficient, low carbon and socially responsible society.