

# Sustainable procurement in health care

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# Why do we give ice cream to patients?



# What is sustainable “public” procurement?

*“...a process whereby organisations meet their needs for goods, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the organisation, but also to society and the economy, whilst minimising damage to the environment.”*

(Procuring the Future, Sustainable Procurement Task Force, 2006).

## But isn't this just “good” procurement?

*“...a process whereby organisations meet their needs for goods, works and utilities...*

*...in a way that achieves value for money on a whole life basis...*

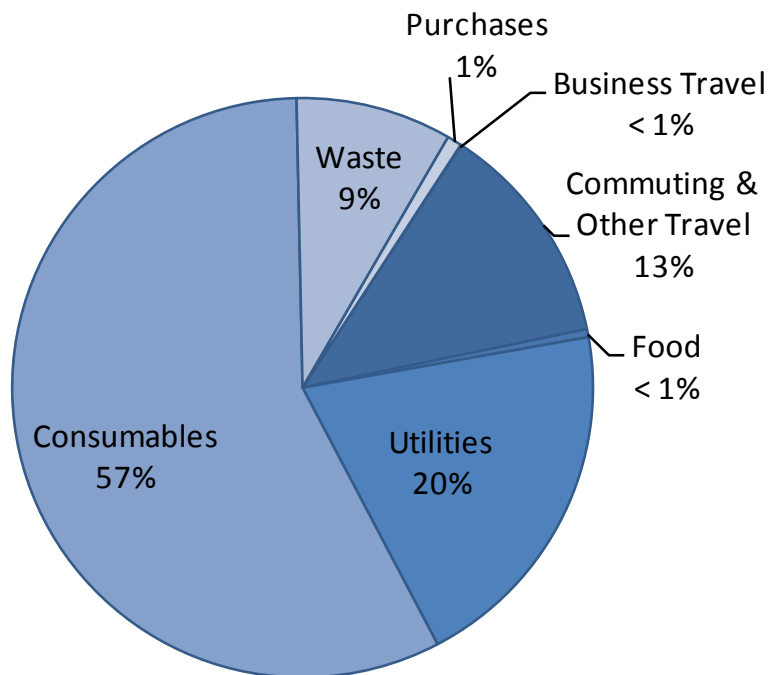
*...in terms of generating benefits not only to the organisation, but also to society and the economy,...*

*...whilst minimising damage to the environment.”*

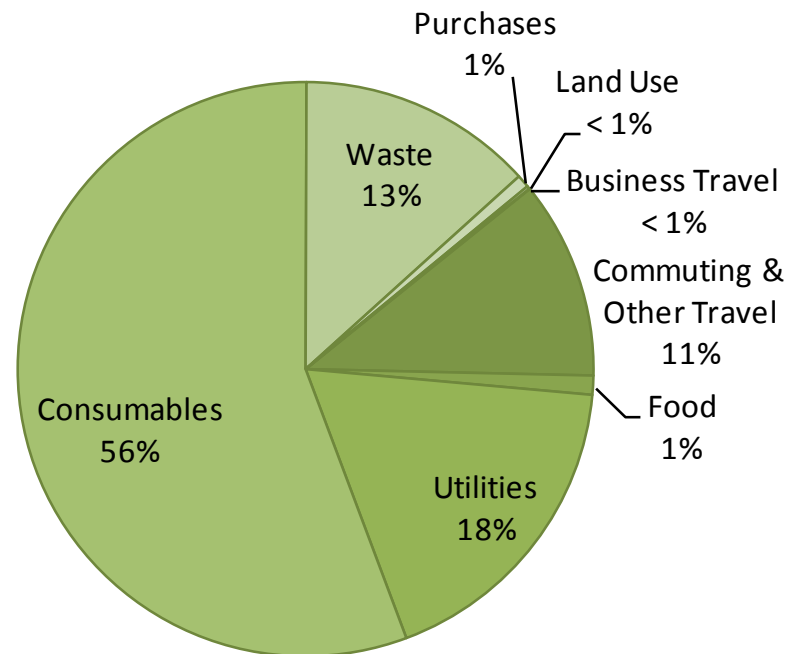
# Victoria's public health carbon & ecological footprints

health

*Figure 1: Carbon Footprint*



*Figure 2: Ecological Footprint*



# Embedding sustainability in health procurement

Funding Sustainable Procurement Officer to:

- Complete a spend / impact / influence profile of health care procurement
- Support tools for health supply and purchasing officers
- Standard sustainability clauses for health care product / service tenders
- Understanding of the needs and expectations of health services around sustainable procurement

# Procuring sustainable health care facilities



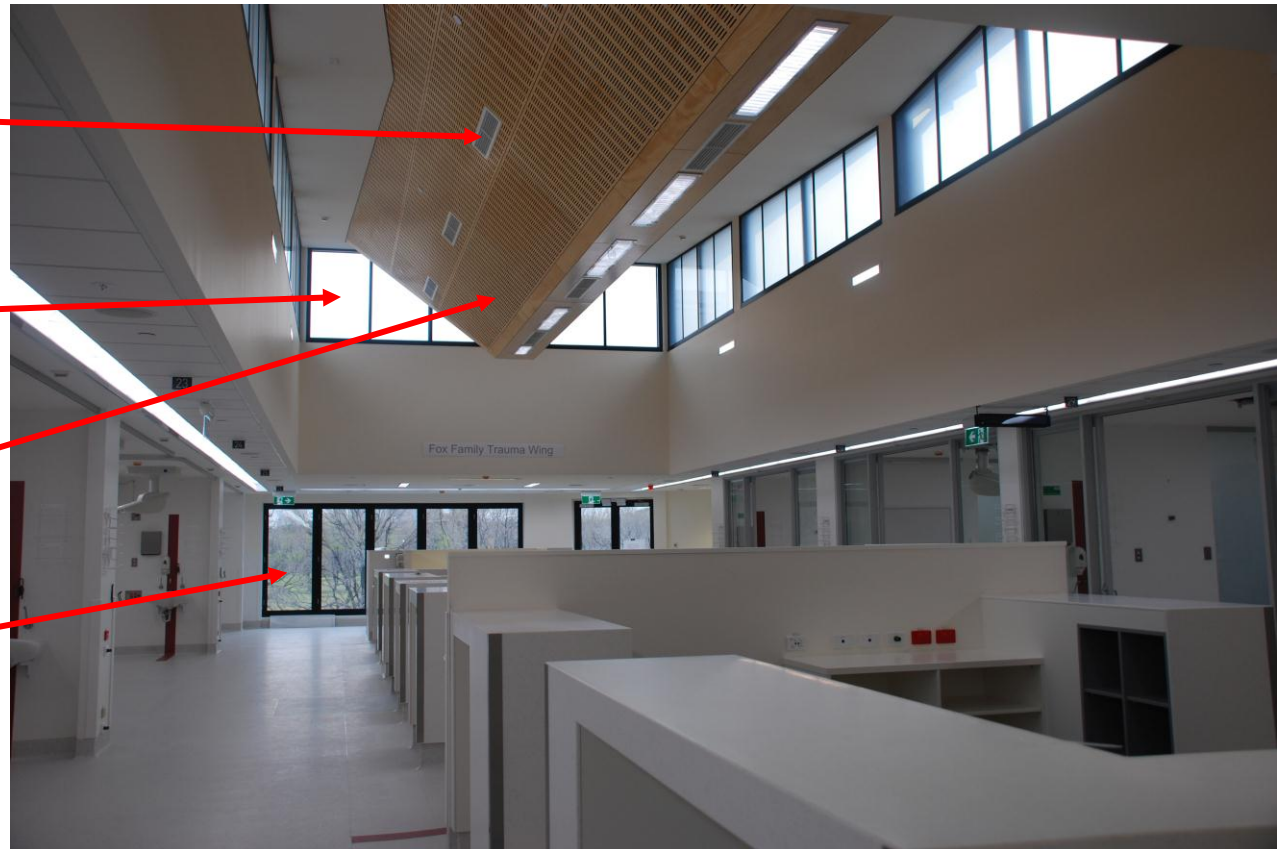
# Procuring sustainable health care facilities

Provision of  
outside air

Good daylight  
provision

Use of natural  
finishes

External views  
to parkland

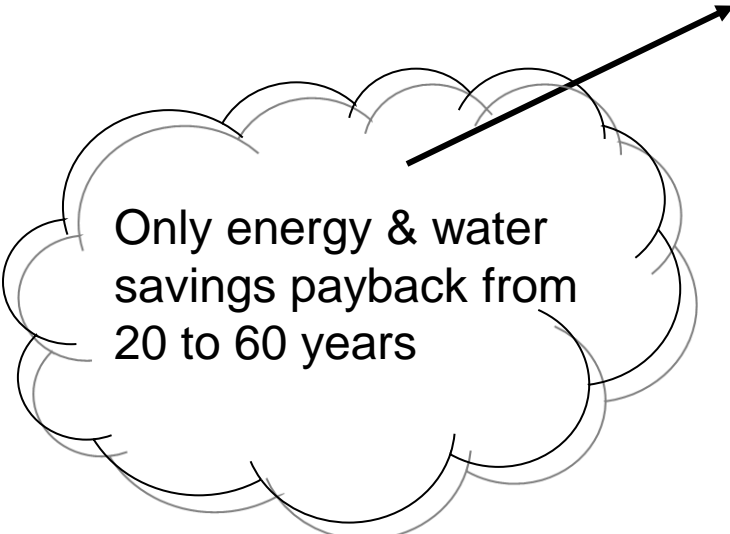


Alfred Hospital Intensive Care Unit

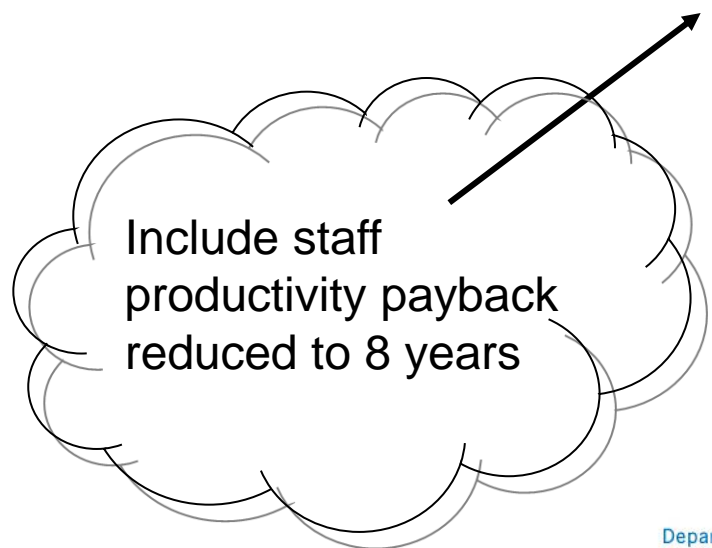


# What are the benefits of building “green”?

Capital Cost		Hard Savings			Soft Savings		Combined	
	Cost / m2 (over base)	Annual energy / m2	Annual water / m2	Simple Payback (years)	Annual savings /m2	Simple Payback (years)	Hard & Soft savings /m2	Simple Payback (years)
4 Star	+1%	\$0.00	\$0.00	-	\$0.00	-	\$0.00	-
5 Star	+7%	\$4.34	\$0.00	61.8	\$27.55	9.7	\$31.89	8.0
6 Star	+15%	\$29.71	\$1.24	19.6	\$36.62	16.6	\$67.57	7.6

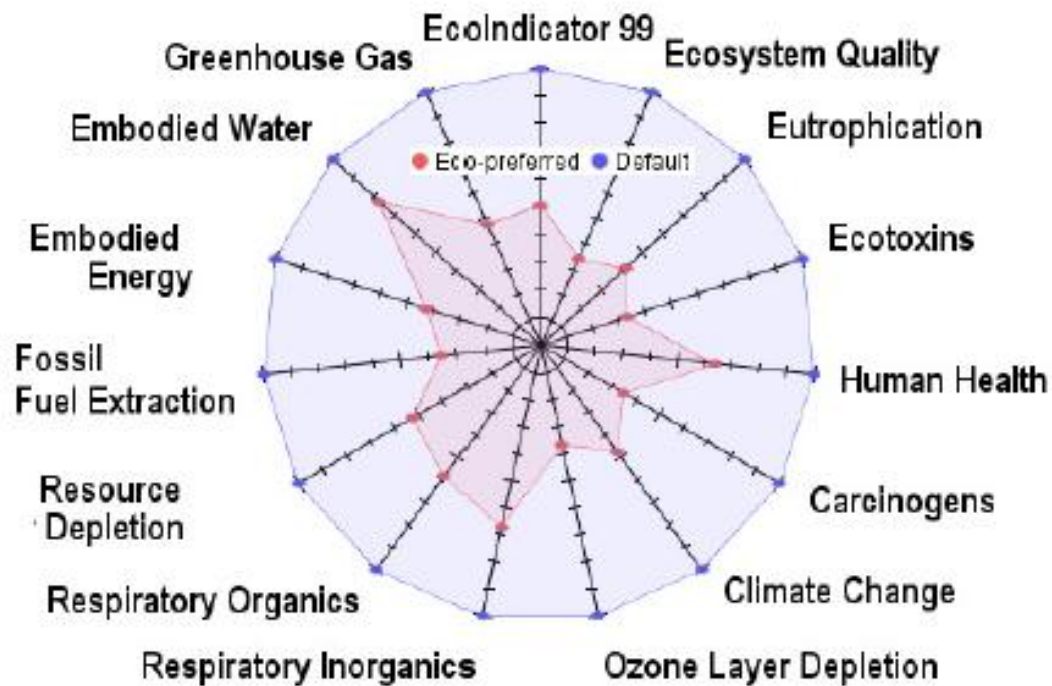


Only energy & water  
savings payback from  
20 to 60 years



Include staff  
productivity payback  
reduced to 8 years

# What are the life cycle costs of a hospital?



# Why sustainable procurement in health?

Because it delivers better health outcomes....

....and whole of life savings....

....and environmental outcomes....

....should be a driver but not the primary driver.

But be careful...



# Questions

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