

New Zealand Timber and Wood Products Procurement Policy (TWPP)

Welcome to the New Zealand Timber and Wood Products Procurement Policy (TWPP). This document will keep you up to date with the policy and provide you with the information needed to understand and implement it.

About the policy

Public service departments as listed in the First Schedule to the State Sector Act 1988, plus NZ Defence Force and NZ Police have been directed by Cabinet to follow the Timber and Wood Products Procurement Policy Guidelines; other agencies are encouraged to follow them.

The Guidelines pertain to timber and wood products including rough sawn and dressed timber; plywood and veneers; fabricated wood; wooden structural components, fittings and joinery; and wooden furniture. Paper has been added as a result of a recent review associated with the development of the policy address illegal logging.

The TWPP aims to ensure that Government is buying only legally sourced timber and timber products. It also strongly encourages Government use of sustainably produced timber. Cabinet has asked for a further report back in 2011 on the feasibility of making the purchasing of timber and wood products from sustainable managed sources a mandatory provision of the policy.

Key features of the timber and wood products procurement policy

- Government departments are required to seek legally sourced timber and wood products.
- Government departments are strongly encouraged to buy timber and timber products from sustainably managed sources. The Government expects its agencies to take all reasonable steps to ensure products are from sustainably managed sources.
- Paper is now included under the TWPP policy (i.e. wood products includes paper).
- Government departments are required to document for audit their verification of the legality of timber and timber products purchased.
- The policy guidelines for the procurement of timber and timber products fit within the MED-administered [Government Procurement Policy](#).
- Officials will report back in 2008 on progress of the TWPP policy, including changes made to the policy in 2006.

Contacts

If you need further help or wish to talk to someone about the policy please contact the following people:

Ministry of Agriculture and Forestry (Timber and Wood Products Procurement Policy)

John Eyre
Forest Policy Coordination
MAF Policy
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Useful links

Ministry of Economic Development - New Zealand Government Procurement

[New Zealand's government procurement policy](#) is based on the commercial principle of best value for money through competition, including full and fair opportunity for domestic suppliers. While the Ministry provides policy advice and has set some mandatory procedural rules, individual departments or agencies are responsible for their own purchasing decisions.

Audit Best Practice

[Procurement: A Statement of Good Practice](#) was issued by the Office of the Auditor and Controller-General in 2001. This defines 'value for money' as the best possible outcome for the total cost of ownership (or 'whole of life' cost), which does not necessarily mean selecting the lowest price.

Policy guidelines for the timber and wood products policy

Purpose of the policy

The Government's Timber and Wood Products Procurement Policy (TWPP) is an expression of its commitment to show leadership in addressing illegal logging and supporting the development of international sustainable forestry management. The policy aims to use the 'purchasing power' of government agencies to send a market signal in favour of legally and sustainably-produced timber and wood products.

What does the policy require?

The Government's Timber and Wood Products Procurement Policy (TWPP) requires that government agencies:

- seek timber and wood products from legally harvested forests;
- maintain records for audit of timber and wood procurement that demonstrate verification of the legality of the harvesting of the forests where the timber and wood products were derived from;
- government agencies are also strongly encouraged to give preference to timber and wood products from sustainably managed sources. Procurement staff should maintain records for audit of their verification of any supplier claims of sustainability.

It is not mandatory to seek sustainable timber products, although there is a strong expectation that timber products with sustainability credentials will be given preference wherever reasonably available and consistent with value for money.

Who does the policy apply to?

The Timber and Wood Products Procurement Policy applies to public service agencies as listed in the First Schedule to the State Sector Act 1988, plus the New Zealand Defence Force and the New Zealand Police. Other agencies are also encouraged to follow these guidelines.

What purchases are covered by the policy?

For the purposes of this policy 'timber and wood products' comprises rough, sawn and dressed timber; plywood and veneers; fabricated wood; wooden structural components,

fittings and joinery; wooden furniture and paper products. For more detailed guidance see [Timber and Wood Products](#) under the Timber and Wood Products Procurement Policy.

The policy applies equally to domestic and imported wood products.

The Timber and Wood Products Procurement Policy applies to all tender contracts and all term-supply contracts.

An agency entering into a building or construction contract for which timber and timber products will be procured by a prime contractor or sub-contractors should seek the co-operation of the prime contractor or sub-contractors in applying these guidelines.

What should I do when buying timber products to ensure that they are legal?

Informing potential suppliers of the requirements of the timber and wood products procurement policy

Informing potential suppliers of the requirements of the Timber and Wood Products Procurement Policy is essential in ensuring that any tender application takes into account all obligations expected under the policy. It also helps to make them aware of any preference you may be giving to bids that might include timber and wood from sustainable sources.

One way of doing this is to include a paragraph outlining responsibilities of the policy in the project outline and including a reference to the policy website so that tenderers can access more detailed information.

A model letter is included [below](#) for you to use to inform tenderers about this policy. Alternatively you can provide the link to this model letter or website in your tender outline.

Legality contract clauses

All calls for tender or invitations to supply timber products or paper through a tender contract or term-supply contract need to seek product derived from a legally harvested forest. For existing term-supply contracts, this new obligation will come into effect if the contract is renewed.

In order to meet their obligation to seek legally-produced timber products, government agencies need to insert a legality clause into all contracts including tender contracts and all term-supply contracts where fulfilment of the contract involves the use of timber and/or wood products, including paper. See examples of [Model contract clauses for legality](#).

At this stage, paper products that contain 70 percent or more recycled paper content are considered as fulfilling the legality requirement.

Verification of legality

Government agencies are also required to document for audit their verification of the legality of timber products purchased. You can do this by obtaining one or more of the following items of information (and keeping it as a record) from your supplier:

- Proof of certification from a recognised forest certification scheme.
- Proof of certification from a stepwise-certification scheme. Chain of custody information which shows that the product has come from a legally harvested and managed forest.

- Proof of legality from a legality verification scheme.
- A declaration from your supplier that the wood is from a legally harvested forest. A supplier's declaration should include the origin and species of the wood and a declaration that the timber or wood product is from a legally harvested forest. If called upon, the supplier must be able to present evidence to verify this information.

For information about certification schemes go to [Certification](#). For more detailed information and advice on paper procurement go to [Paper](#).

How do I identify sustainably produced products?

Certification

One of the main ways to identify sustainably produced timber products is by looking for third-party full certification. The government recognises a number of well-known certification schemes (see [Certification](#)), and does not endorse any one scheme above others. Certification is also a reliable verification of the legality of timber products.

Other evidence

Certification is not the only way to identify sustainably produced timber. Other equivalent evidence of origin of products from sustainable sources should also be considered. For example, some suppliers may be able to show evidence that they are using the voluntary National Standard for Environmental Certification of well-managed Plantation Forests in New Zealand. This directs plantation forest owners to take into account environmental and social aspects of forest management and includes various standards on legality, consultation, indigenous rights, health and safety, biodiversity, chemical use, management. New Zealand producers should be able to demonstrate compliance with relevant provisions in regional plans.

Suppliers of New Zealand indigenous timber should be able to produce a copy of the sustainable forest management plan completed under the Part IIIA of the Forests Act 1949, and/or applicable resource consents.

For imported timber and wood products, in the absence of recognised certification suppliers should be expected to verify they are derived from a sustainably managed forest. If you are in doubt about what might constitute suitable evidence please contact the Ministry of Agriculture and Forestry for further advice. See [Useful Contacts](#).

For more detailed advice and information on paper products go to [Paper](#).

How do I give preference to timber products from sustainably managed sources?

The easiest way to give preference to timber or wood from sustainable managed sources is to inform interested suppliers of the obligation to seek sustainably-produced timber, wood products or paper under the Timber and Wood Products Procurement Policy.

Suppliers should be notified that sustainably produced timber, wood products or paper will be given preference when awarding the contract, where reasonably available and consistent with value for money and other government procurement principles. A clause can then be included in the contract stipulating sustainability requirements.

See examples of [model contract clauses for sustainability](#).

What other information am I required to collect?

Government agencies should have in place systems for recording timber and wood product procurement, on a contract by contract basis, noting steps taken to ensure

legality, any supplier claims and documentation of certification or equivalent documentation, and the reasons for sourcing decisions.

A checklist for agencies to help fulfil this audit requirement is included on the illegal logging website. For more information see [Audit requirements](#).

This information is to be provided on request to the Ministry of Agriculture and Forestry, which will share the information with the Ministry of Economic Development, to assist in monitoring, reviewing and reporting back to the Government on the operation of this policy. The information will also be shared with the Ministry for the Environment for a review of the success of sustainable procurement initiatives in government agencies.

Certification and other means of identifying legal and sustainable timber products

Full certification

With forest certification, an independent organization develops standards of good forest management, and independent auditors issue certificates to forest operations that comply with those standards. This certification verifies that forests are well-managed—as defined by a particular standard—and ensures that certain wood and paper products come from responsibly managed forests.¹

This rise of certification has led to the emergence of several different systems throughout the world. As a result, there is no single accepted forest management standard worldwide, and each system takes a somewhat different approach in defining standards for sustainable forest management. Timber and timber products from certified forests generally carry a label so that consumers can identify them. The Timber and Wood Products Procurement Policy recognises (a) the FSC certification system and (b) systems endorsed by the PEFC certifications programme. New Zealand also reserves the right to recognise any other systems that can, to New Zealand's satisfaction and verification, prove they meet New Zealand's requirements for legality and/or sustainability. These are listed below. The Timber and Wood Products Procurement Policy does not endorse any one scheme over another.

Step-wise certification

In some cases, the capacity of wood producers to meet advanced sustainability standards under a full certification programme is limited. A step-wise approach might be employed where the forest manager or supplier works towards full certification. There are also organisations that have a strong procurement policy in place in which members agree to actively seek and sell legal and sustainable timber and wood products. Some examples are listed below.

Proof of legality

Some operators might choose to gain reputable third party or government-endorsed proof of legality certification for their forest management, harvesting, processing or export operations. Some examples are listed below.

¹ The Forest Certification Resource Center has further information on certification that may be useful. Its website can be found at: <http://www.certifiedwoodsearch.org/>

New Zealand products

Timber from New Zealand planted and indigenous forests may be considered sustainably produced where shown to have been legally harvested in terms of applicable legislation, including the Resource Management Act 1991 or, in the case of indigenous timber, the sustainable forest management provisions of the Forests Act 1949. The New Zealand forestry industry has developed a National Standard for Environmental Certification of well-managed Plantation Forests in New Zealand, which is intended to be compatible with FSC criteria.

Recognised certification schemes



[Forest Stewardship Council](#) (FSC) is an international, non-governmental, organisation supporting a scheme for forest products, which provides a credible guarantee that the product comes from a well-managed forest. FSC certification applies to significant areas of forest internationally, including over 40 percent of New Zealand's planted forest estate, and some of our indigenous forest.



[Programme for the Endorsement of Forest Certification](#) (PEFC) is an independent, non-governmental organisation, which promotes sustainably managed forests through independent third party certification. It is an international umbrella organisation for the assessment and mutual recognition of its members' national forest certification schemes. Significant areas of forest internationally are certified under PEFC-affiliated schemes.



[American Tree Farm System®](#) (ATFS) is a programme of the American Forest Foundation and certifies tree farms within United States.



[Canadian Standards Association \(CSA\) National Standard for Sustainable Forest Management](#) covers six criteria (key environmental, economic and social values) and indicators associated with sustainable forest management. It incorporates a management process which is consistent with the ISO 14004 Environmental Management System standard described in the Note below.



[Sustainable Forestry Initiative®](#) (SFI) based in the United States covers sustainable forestry programs for forests in North America developed by the American Forest & Paper Association (AF&PA).



The [Malaysian Timber Certification Council](#) (MTCC) is an independent organisation established to develop and operate a voluntary national timber certification scheme in Malaysia, in order to provide independent assessments of forest management practices as well as to meet the demand for certified timber

products.

Step-wise approach to full certification

Many smaller operators and those in developing countries do not have the capacity to achieve full certification of forests and/or timber and wood processing and production. In these cases some operators have taken a step-wise approach to certification.

Example of a step-wise certification scheme



[The Tropical Forest Trust](#) (TFT) was established in March 1999 by companies trading in tropical wood products. The TFT helps its members to implement responsible wood procurement policies. The TFT helps its members to manage and monitor their supply chains and the forests that anchor those supply chains to move towards FSC certification.

Organisations with a procurement policy

The Imported Tropical Timber Group (ITTG) is made up of about 80% of New Zealand timber importers. The group comprises members from New Zealand timber importers and retailers and from environmental NGOs, including Greenpeace International. The ITTG aims to ensure that members import timber in accordance with a charter of understanding including a requirement that members actively seek to import timber from sustainable sources. Not all New Zealand timber importers belong to ITTG. Products labelled with the ITTG ECO timber label are endorsed by the New Zealand Imported Tropical Timber Group. The Charter of Understanding can be found at: <http://www.nzittg.org.nz/charter.htm>

Proof of legality

All the full and stepwise certification schemes above include legality as a requirement of meeting the conditions of their certification programme.

Some operators may offer a certificate of legality on their products from an accredited certification organisation. It is important to make sure that any proof of legality includes proof of legal harvesting of the forest where the product came from.

Example of a legality validation scheme



[SGS](#) offers a Timber Legality & Traceability Verification (TLTV), Voluntary Legal Timber Validation (VLTv) and Mandatory Legal Timber Validation (MLTV) to validate legality. These certificates incorporate regular auditing, or continuous monitoring and verification of a company's wood production and tracking information.

Ecolabels

For the purposes of these guidelines, office paper can be considered legal and sustainable if it has a third-party audited ecolabel which shows that at least 70 percent of the fibre content of the paper comes from recycled and/or certified sources.

Example of an ecolabel scheme: Environmental Choice New Zealand



To earn an Environmental Choice label under Environmental Choice's [standard for office paper and stationery \(EC-26-07\)](#), a brand of copy paper must be made from more than 30 percent post-consumer recycled fibre, with at least 50 percent of the remainder to be from plantations licensed under the Forest Stewardship Council or equivalent schemes.

Other ecolabels which have similar standards are Good Environmental Choice (Australia), Nordic Swan, EU Flower or Blue Angel (Europe) EcoMark, (Japan), Thailand Green label or China EcoLabel.

ISO standards

Some companies cite the “International Standards Organisation (ISO) 14000 Standard - Environmental Management System (EMS)”. This process standard applies to a broader range of activities such as an organisations products, services, operations, facilities and transportation. Unlike the other certification schemes listed above it does not result in a label. An ISO 14000 series certification tells you the company is measuring its impact on the environment and seeking improvements in performance, but does not tell you about actual environmental impacts or whether they are acceptable. Thus an ISO 14000 certification can not be used to confirm legality. Assuming legality is proven by another means ISO 14000 certification can be used to distinguish between companies if none of the tenderers can provide forest product certification, but should not be considered a replacement for an equivalent to certified sustainable forest management schemes.

[The Forest Certification Resource Center](#) has further information on certification that may be useful.

Model clauses for procuring wood products

Legality

Under the New Zealand Timber and Wood Products Procurement Policy it is mandatory for government departments to seek legally produced timber and wood products, including paper, when purchasing these products.

This means that a legality clause must be inserted into all contracts, including tender contracts and all term-supply contracts where fulfilment of the contract involves the use of timber and/or wood products, including paper.

Examples of standard clauses include:

- All timber and wood-derived products procured by the Contractor for supply or use in performance of this contract shall be derived from Legal Timber. The term 'Legal Timber' in the context of this Contract Condition refers to timber or wood products from a forest that that has been legally harvested and where the organisation or body that felled the trees and provided the timber from which the wood is supplied or derived had legal rights to use the forest;
- Timber and wood products utilised to satisfy this contract will be sourced from legally harvested forests.

Sustainability

The expectation for a preference for timber and wood products from sustainably managed sources, where reasonably available and consistent with the principles of the government procurement policy framework, is a key part of the Timber and Wood Products Policy.

A department or agency may wish to insert a sustainability clause into contract, including tender contracts and all term-supply contracts.

Examples of standard clauses include:

- All timber and wood-derived products procured by the Contractor for supply or use in performance of this contract shall be (a) recycled timber or wood product and/or (b) timber and/or wood product from a 'sustainable source' or (c) a combination of (a) and (b). The contractor will be able to produce verification of this within a period of two weeks if requested by [Agency].
- “[Agency] is committed to purchasing sustainable timber and wood products wherever possible. [Agency] will give appropriate weighting to sustainable timber and wood products in the purchasing process.
- [Agency] has determined that the following sustainability considerations will be weighted when purchasing:
 - [list matters specific to agency and procurement subject]”.

Model letter to tender

The tenderer's attention is drawn to the contract requirements governing the supply and use of timber and wood products in performing the contract. Under the New Zealand Timber and Wood Products Procurement Policy it is mandatory for government departments to procure legally-produced timber and wood products, including paper. Legally sourced timber and wood products are those that are sourced from legally harvested forests within the country of origin. Where possible and consistent with value for money and other procurement principles, government departments are also expected to use timber and wood products obtained from sustainable sources.

Timber and wood derived products in the context of this contract includes timber or wood products, including paper supplied to government departments or used by the contractor, his agents and subcontractors in performance of the contract.

The contractor, as a condition of this contract, must be able to provide verification that all timber and wood derived products used in the contract are from forests that have been legally harvested. For paper products, paper which is composed of 70 percent or more of recycled material will be considered as legal under the policy.

If called upon, evidence of verification of legality must be able to be provided to the contracting department within 21 working days.

In summary, tenderers are offered the option of providing either:

- a. timber and wood derived products that are verified as legally harvested (this is a condition of contract and so is a mandatory requirement); or
- b. timber and wood derived products that are verified to be both legally logged and from a sustainable source.

Government departments will give preference to suppliers who offer timber and wood products that can be verified as being both from a legally logged and sustainable source.

Products covered under the timber and wood products procurement policy

Timber products are classified under harmonised system codes. Products classified in the following codes are covered under the Timber and Wood Products Procurement Policy:

4407: Wood sawn or chipped lengthwise, sliced, peeled, whether or not planed, sanded or finger-jointed, of a thickness exceeding 6mm.

4408: Veneer sheets and sheets for plywood (spliced or not) and other wood sawn lengthwise, sliced or peeled, whether or not planed, sanded or finger-jointed, of a thickness not exceeding 6mm.

4409: Wood (including strips, friezes for parquet flooring, not assembled, continuously shaped (tongued, grooved, v-jointed, beaded or the like) along any edge or face, planed, sanded or finger-jointed or not.)

4410: Particle board and similar board; of wood or other ligneous materials, whether or not agglomerated with resins or other organic binding substances.

4411: Fibreboard of wood or other ligneous materials, whether or not bonded with resins or other organic substances.

4412: Plywood, veneered panels and similar laminated wood.

4414: Wooden frames; for paintings, photographs, mirrors or similar objects.

4418: Builders' joinery and carpentry of wood, including cellular wood panels, assembled parquet panels, shingles and shakes.

4419: Tableware and kitchenware, of wood.

4420: Wood marquetry and inlaid wood; caskets and cases for jewellery or cutlery, and similar articles of wood; statuettes and other ornaments of wood; wooden articles of furniture not falling in chapter 94.

4802: Uncoated paper and paperboard, used for writing, printing or other graphic, non perforated punch-cards and punch tape paper, in rolls or rectangular sheets, of any size, other than paper of heading 48.01 or 48.03; hand-made paper and paperboard.

9401.61: Seats; with wooden frames, upholstered, excluding medical, surgical, dental, veterinary or barber furniture.

9401.62: Seats; with wooden frames, not upholstered, excluding medical, surgical, dental, veterinary or barber furniture.

9403.30: Furniture; wooden, for office use.

9403.40: Furniture; wooden, for kitchen use.

9403.50: Furniture; wooden, for bedroom use.

9403.60: Furniture; wooden, other than for office, kitchen or bedroom use.

9403.90.00.09: Furniture; parts, legs of wood, not being fabricated frames.

9403.90.00.19: Furniture; parts, of wood, excluding legs.

Timber and wood products procurement audit requirements

Government agencies are required to document for audit their verification of the legality of timber and wood products purchased.

Also, tender specifications should require verifiable documentary evidence of any supplier claims related to sustainability, chain of custody certification or other proof of origin from sustainably managed sources.

Government agencies should have in place systems for recording, on a contract by contract basis, timber and wood products procurements, noting steps to ensure legality, any supplier claims and documentation of certification or equivalence, and the reasons for sourcing decisions.

A simple audit to ensure good practice can be followed and included in record-keeping:

Action	√ Completed
Tenderers are informed of mandatory requirement for government agencies to seek legally harvested timber and wood; and preference for products from sustainable sources, where reasonably available and consistent with value for money (Timber and Wood Products Procurement Policy referred to, requirements outlined, link to further information given).	
Legality – Mandatory requirement	
Insertion of standard legality clause into contracts involving procurement of timber and/or wood products.	
Information on legality is referenced. If there is doubt over legality, proof of legality is obtained from successful tenderer.	
Sustainability – Preferred	
Insertion of standard sustainability clause into contracts involving procurement of timber and/or wood products.	
Verifiable documentary evidence of any supplier claims related to sustainability.	
Record keeping	
Record keeping follows procurement best-practice, checklist included in records, sustainability claims verified.	

Purchasing paper under the timber and wood products procurement policy

The Government's Timber and Wood Products Procurement Policy has been amended by Cabinet decision in November 2006, so that it now applies also to paper.² Government agencies are typically large users of copy paper, so the New Zealand government's policy to prevent its agencies from purchasing illegally harvest timber products will be more effective if it applies to paper, as well as other forms of timber products.

This means that government agencies are now required to seek paper from legally harvested forests when renewing or initiating a new term-supply or tender contract.

The simplest way to fulfill your obligation to seek legal and sustainable paper is to follow the same guidelines as for all timber and wood products as outlined in [Policy Guidelines for the Timber and Wood Products Policy](#).

Under the policy guidelines, recycled paper is considered to be equivalent to 'legally-sourced' paper where 70 percent or higher of the total paper content is from recycled paper.

² Under the policy paper products are defined as those falling under harmonised system codes **4802**: Uncoated paper and paperboard, used for writing, printing or other graphic, non perforated punch-cards and punch tape paper, in rolls or rectangular sheets, of any size, other than paper of heading 48.01 or 48.03; hand-made paper and paperboard.