



Disclaimer: These notes are intended as helpful guidance only. For the most accurate and up-to-date information on meeting audit requirements, always refer to the latest official handbook.

Imperative 15 | Living Economy Sourcing

Sourcing local materials and products

Intent

The intent of this Imperative is to support local communities and reduce transport-related impacts. Distances your project materials and products may be sourced from is based on their cost, and should form part of your project materials vetting process. The following provides guidance about how you might approach the Living Economy Sourcing imperative.

Calculating Sourcing Distances

Step 1: Determine project Materials Construction Budget

Your total materials cost includes all permanently installed materials and systems furniture delivered to the project site. It's a good idea to start with 'big ticket' items and go from there.

The LBC Program Manual outlines what to include, exclude and applicable multipliers.

Step 2: Identify applicable sourcing distances

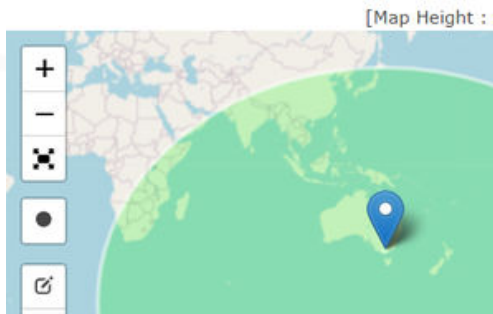
For projects in Oceania, as defined in the LBC Program Manual, greater sourcing distances are granted due to its remoteness. Refer to Oceania I12 and I15 in the Approved Regional Equivalencies section of the Manual.

Step 3: Materials sourcing distances

Define your sourcing distance radii on a map to help identify locations where products can come from. For example, for Imperative 15, 25% of the materials construction budget may be sourced from within 9,000km of Melbourne VIC. The map screenshot below was drawn using FreeMapTools, but there are other tools.

See image next page

Radius Around Point Map



Step 4: Calculation

Enter source distances into your Materials Tracking Spreadsheet to check as you go that your project materials by cost are within the required sourcing percentages, allowing a buffer.

Remember the manufacture location of your project materials refers to the final point of assembly, fabrication or manufacture of each system, product or building material. Here's a work-in-progress example from Arup's Auckland NZ office fit-out, showing the spreadsheet in use, including the adjusted column headers for the Approved Regional Equivalencies for Oceania and specifically New Zealand. Note that flagged targets are pending formal confirmation of locations from some manufacturers.

I-15 Living Economy Sourcing					
Minimum % of MCB required for LES	20%	30%	25%	25%	
Actual Total \$ by Economy Zone	\$791,721	\$287,585	\$224,644	\$748,473	
Actual Minimum \$ by Economy Zone to Comply	\$410,538	\$615,806	\$513,172	\$513,172	
Amount Over/Under Minimum Requirement	\$381,183	\$328,221	\$288,528	\$235,301	
Amount Over/Under Minimum Requirement	\$381,183	\$52,962	\$235,565	\$235,301	

6 Living Economy Sourcing (LES)						
Manufacturer Location			Totals by Economy Zone:			
Manufacturer Name	Location (city, state/province, country)	Distance from Project Site (km)	<2000 km	<5000 km	<11000 km	Any Location
0	Auckland, New Zealand	5	\$2,250			
GIB	Christchurch, New Zealand	736	\$46,382			
GIB	Christchurch, New Zealand	736	\$9,557			
GIB	Christchurch, New Zealand	736	\$30,726			
Potter	Hamilton, Waikato, New Zealand	122	\$6,300			
Potter	Hamilton, Waikato, New Zealand	122	\$14,040			
Carter Holt Harvey	Tokoroa, New Zealand	211	\$17,669			
Autex	Auckland, New Zealand	5	\$11,291			
Laminex	Kataia, Northland, New Zealand	336	\$51,057			
Laminex	Auckland, New Zealand	5	\$6,480			
Rondo	Sydney, NSW, Australia	2155		\$114,472		

Basic Documentation

I15-1 Materials Tracking Table

READY AUDIT Full Excel format Materials Tracking Table providing cost information, together with a brief narrative explaining the process that was used for tracking project costs.

I15-2 Supporting Documentation

READY AUDIT

- Documentation confirming the manufacturer location information for each tracked product and a copy of the active Declare label ID and/or Living Product Challenge certification ID.
- Local Micro-business Documentation (if relevant). Where product costs purchased from a Local Micro-business will be doubled, documentation showing compliance with eligibility criteria must be submitted, e.g. independent ownership and operation; business location within stipulated distance from site; and number of employees.

I15 Case Study

READY AUDIT A summary narrative describing the project team's approach to the Imperative, highlighting any lessons learned or particularly rewarding outcomes.