

The Annual Report on the State of Municipal Sustainable Procurement in Canada

TRENDS & BEST PRACTICES

Commissioned by the Municipal
Collaboration for Sustainable
Procurement

Prepared by Reeve Consulting

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MESSAGE FROM THE STEERING COMMITTEE

Over the last several years, municipalities in Canada have increasingly taken ‘Green’ and ‘Sustainability’ into consideration when making procurement decisions. Municipalities are buying green because it results in a number of benefits. It reduces costs, and provides opportunities for more efficient use of materials, resources and energy. It helps improve the health of employees and transforms markets towards creating more green products and services. More municipal buyers are selecting suppliers and products now that help them achieve their sustainability targets.

A key initiative helping to facilitate the advancement of municipal sustainable procurement in the last five years has been the Municipal Collaboration for Sustainable Procurement (MCSP)

MCSP was founded by a group of Canadian municipalities to facilitate collaboration and the sharing of resources and technical expertise to advance sustainable procurement. This collaborative group has emerged as a leading learning and capacity building network for municipalities in Canada and is a front-runner in setting new benchmarks and best practices in the field of sustainable procurement.

We are pleased to share the [2013 Annual Report on the State of Municipal Procurement in Canada](#) with a wider audience. This report is the fourth annual report of our Collaboration. Based on current practices, challenges, lessons learned and opportunities faced by municipalities in 2013, this report presents key themes and trends for this year and provides an outlook for the year ahead. This report is aiming to be a resource for municipalities and other agencies that are planning, developing or optimizing sustainable procurement programs. Participating municipalities reference it to identify the strengths of national municipal partners and approach them for assistance. It is also a summary for City Council participants and City Management Staff who want a snapshot of this rising strategic practice.

The information in this report was gathered through interviews with MCSP participants, a series of peer exchange teleconferences organized to promote collaboration within the group, as well as results from an MCSP participant online survey. The MCSP Steering Committee has provided additional guidance in the development of the report.

The report is arranged into three main sections followed by supporting appendices:

- 1. Municipal Sustainable Procurement in 2013.** Emphasizes progress, key trends and challenges for 2013;
 - 2. National Snapshot.** Gives an overview of the current state of municipal sustainable procurement across Canada: key trends, gaps and opportunities, and program priorities identified by municipalities for 2013;
 - 3. A Glimpse Ahead – An Outlook for 2014.** Lays out expectations for the year ahead and foreshadows potential trends; and
- Appendices.** Provide information on sustainable procurement and MCSP, the Framework establishing the 10 key program areas for successful sustainable procurement, as well as real-world success stories of Canadian municipalities.

We are confident that through this report we continue to enable the updating of municipal sustainable procurement trends and best practices data and support the advancement of sustainable procurement practices across the country.

We would like to acknowledge the staff from municipalities across the country who contributed their time to provide valuable information for this report.

Thank you!

2013 MCSP Steering Committee

City of Edmonton, Dan Lajeunesse,
Branch Manager, Materials Management

City of Ottawa, Jeff Byrne,
Chief Procurement Officer

City of Victoria, Glen Oberg,
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1. MUNICIPAL SUSTAINABLE PROCUREMENT IN 2013

Incremental Change for Lasting Transformation

2013 was a year of continued progress in advancing sustainable procurement in municipalities in Canada. While 2012 was considered a turning point in the evolution of municipal sustainable procurement in Canada with municipalities starting to work smarter not just harder, 2013 saw an incremental consolidation of that trend. Much has been talked about the economic impact of municipal spending across the country and the transformative opportunity it represents as municipalities are moving toward increased sustainable procurement. Lasting transformative change, however, often doesn't occur in sweeping revolutionary events but more frequently through steady, incremental improvements that sometimes go unnoticed and are undervalued. So, while 2013 didn't stand for vast new growth in sustainable purchasing activities, it was a year where municipalities achieved a new level of professionalization in setting goals, engaging with suppliers, measuring progress, and demonstrating resilience in overcoming the ever-present barrier of resource constraints.

In order to better implement sustainable purchasing this year, MCSP participants realized they need to communicate the value proposition for sustainable purchasing to city councilors and other municipal staff not just once but continuously; that they need to move from silo projects to a more strategic advancement of sustainable purchasing best practice areas; that deepening supplier relationships can help with delegating some of the burden of reducing environmental impact; and that all these efforts need to be supported by more meaningful metrics to measure and report on the economic and environmental impact of sustainability.

Municipalities that started developing their sustainable purchasing programs were able to learn from the drawbacks and successes of their peers who had more advanced programs, which led to better program management and planning. Those who had focused in the past on developing their sustainable purchasing programs moved to implementing and refining tools and procedures as well as strengthening training and communication of their programs. Advanced participants strengthened their dedicated resources by assigning clear sustainable purchasing responsibilities, e.g. to category managers, streamlining their priorities and making progress in measurement and reporting by expanding their list of key performance indicators.

And so, all across the country, from Ottawa and London to Whitehorse and Victoria, municipalities in Canada are creating a lasting transformation of procurement practices and products to achieve best value and triple bottom line benefits. 'Green' has gone mainstream. 'Local' and 'Ethical' are on the rise. The marketplace for sustainable products is maturing. While progress stays slow, a quote by David Suzuki provides an encouraging analogy:

"From year to year, environmental changes are incremental and often barely register in our lives, but from evolutionary or geological perspectives, what is happening is explosive change."

Key Trends

In maximizing limited resources and reorganizing their sustainable purchasing programs and activities to be more focused and strategic, municipalities made incremental but important progress. Several key trends were identified and show that 2013 has been a successful year for municipalities to push through challenges and move their programs to the next level.

1. Making Program Implementation More Strategic

Municipalities continued with last year's trend of making the shift from program development to implementation by dividing their efforts between building programs, policies, procedures, tools, and training, and focusing on sustainable purchases and specific requests for proposals (RFPs). This year however, they also realized that, in order to accomplish a

deeper implementation of their programs, following a more strategic direction for their sustainable purchasing activities is more important than ever. Goal setting alone is not sufficient: communicating a clear message to implementing staff on where to focus is a necessary part of the package.

Some municipalities engaged with a broader group of managers and staff to develop program priorities and incorporated sustainable purchasing activities into the green operations planning of different departments. Municipalities that had lost momentum since coming up with a Sustainable Purchasing Program restarted their efforts by engaging senior level managers on the value proposition of sustainable procurement to improve and re-ignite staff awareness, as well as develop lasting program champions.

2. Better Tools for Better Data

Another trend was that municipalities increasingly worked on customizing, refining, updating and expanding their purchasing processes and tools to make them more effective for getting and evaluating relevant supplier and product information. One example is adding sustainability criteria weighting in RFPs to verify information provided by suppliers. In order to solicit more relevant information on products supplied, the **City of Vancouver** reduced the number of clauses in its RFP template and made its clause language clearer and more explicit. Automating processes to increase efficiencies and leverage implementation has also been a major part of continuous improvement. A key take-away was that, to be most effective, tools should be blended and customized to address the unique needs of the municipality: for example, with regard to their sustainability objectives, and the product or service they purchase.

3. Deeper Supplier Collaboration to Drive Innovation

One of the major priorities for 2013 was the focus on enhanced engagement of suppliers, especially pursuing deeper supplier partnerships that drive innovation. An important element was to find ways to have conversations with suppliers throughout the life of the contract and not just during the bidding process. To engage successfully despite limited resources, one successful strategy was to concentrate on one key supplier, working closely with them on different existing green product components and enlisting their support in having everybody within the municipality sign on to them. After learning more and more about the municipalities' needs, the supplier streamlined its product delivery schedule and thus reduced costs and environmental impact from transportation. One way to engage with a range of suppliers was to hold 'How to sell to the municipality' workshops where vendors were educated on the purchasing process and how to avoid common pitfalls.

4. The Search for Better Monitoring and Reporting

After identifying monitoring and reporting as a key priority for 2013, many municipalities followed through with starting to develop key performance indicators (KPIs) in order to set targets and evaluate the progress of their sustainable purchasing programs and activities. However, many municipalities are still struggling with developing KPIs and are lacking automated monitoring systems that measure the impact of their sustainable purchasing activities: for example, the diversion rate of waste from the landfill after introducing reduced packaging specifications to tenders. Many municipalities focused on basic data and indicators, measuring staff awareness of their sustainable purchasing policies, the percent spend on green office products or the number of RFPs with green criteria. Increasingly, after previously having implemented basic metrics, municipalities have progressed to developing impact indicators, for example, on the reduction of GHG emissions, and incorporating them into existing sustainability plans. The **City of Ottawa** took a major step with their measuring and reporting by further embedding sustainability criteria within their SAP system, allowing the City to better measure their progress in purchasing sustainable products and services.

Top sustainable procurement tools and procedures used in 2013 by procurement staff:

- *Green specifications for a variety of product and service categories*
- *Sustainable Purchasing Policy*
- *Vendor Sustainability Leadership Questionnaire*

Municipalities that had more developed Sustainable Procurement programs used the following tools in 2013:

- *Eco-label fact sheet (explaining types, examples and details of different eco-labels)*
- *Supplier Code of Conduct*
- *Public disclosure form for factory locations*

A key lesson for municipalities was to start with a manageable level of no more than three or four indicators, to set targets and timeframes, and to ensure tracking methods were in place to monitor them. It is more vital to be able to report on a few significant indicators to share success, create buy-in from city council and other stakeholders and/or redefine activities accordingly than to try to achieve too much and not follow through with monitoring. One very successful strategy for sharing some of the burden of measuring impact was to delegate this task to suppliers and have them provide reports on emissions reduced or resources reduced. The supplier reporting task was also embedded into RFPs. Validation of third party data, however, is key to maintain engagement and credibility with staff. To leverage measurement, many report their success data to council and additionally use the MCSP report to benchmark themselves.

5. Showcasing Collaborative Leadership

Going into its fifth year, the MCSP continues to add value to municipalities through sharing resources and experience in webinars and teleconferences and connecting peers. Three new municipalities joined the group in 2013. Collaboration among peers helped participants better understand where certain risks might be within the supply chain. It also helped them prepare and address the concerns from their senior management and Council when presenting a case for sustainable purchasing. The sharing of success stories in monthly peer exchanges facilitated municipal collaborating and coordination on featured ideas and programs that were already activated in other municipalities.

Some Benefits Municipalities were getting from Collaboration:

- *Better Access to Information: As all participants bring with them a wealth of information and perspectives, the solutions they derive from collaboration are likely to be better than those developed by only a few people.*
- *Increased Efficiency: Municipalities don't have to reinvent the wheel when trying to solve sustainable purchasing challenges but can lean on the successful and proven models of their peers.*
- *Recognition: Through sharing of success stories between municipalities, local government buyers get a wider credit for their efforts, which can also lead to people caring more about what they do.*

Challenges: Barriers to Program Advancement

1. Resource Constraints – The Everlasting Challenge

Constraints in program funding and dedicated staffing resources for sustainable purchasing remained on a similar significant level compared to 2012 and had an influence on many program priorities. Many municipalities don't have a dedicated full- or part-time staff for sustainable purchasing. In terms of interdepartmental collaboration, there was often not enough time between sustainability and purchasing staff to integrate programming and move forward with goals. Lack of time in a fast-paced environment turned collaborative projects into a challenge due to not being able to bridge different aspirations, pace, timetable, and methods. Due to limited resources, training and communications, targets were neglected, resulting in a lack of buy-in from staff and council, thus perpetuating the status-quo, reducing the chance for a higher take up rate and tangible success - the condition for a re-allocation of resources.

2. Lack of Prioritized Action Goals

Moving away from ad hoc sustainable purchasing activities to concentrate on strategic goals and activities still remained a challenge for municipalities in 2013. Partially, this was due to limited capacity and lack of habit in setting specific, measurable, action oriented, realistic, and time based (SMART) goals with corresponding metrics. Some staff had to go through a learning curve when it came to goal setting. Another reason was that there was simply not enough time spent with senior managers to clarify relevant goals and define priorities for the coming year, which then resulted in competing concerns throughout the year. A key lesson was that more time and resources spent in setting relevant SMART goals and focusing on a few action priorities equals more success.

3. High Turnover in City Procurement and Sustainability Offices

Most MCSP participants have been able to build out their purchasing and sustainability departments enough to support a sustainable purchasing program, but have unsuccessfully had sustainable purchasing managers retained for a significant period of time. High turnover in purchasing and sustainability departments is impacting the growth of sustainable procurement programs. In 2013, several MCSP participants went through this experience. When staff from buying or sustainability departments leave, there are vacancies to be filled and new employees to be trained, which can veer departments from pursuing their sustainable purchasing goals. Turnover also impacts the morale and roles of remaining staff who must fill in the gaps until new employees are hired and trained.

TIPS FOR MAKING THE BEST OF LIMITED RESOURCES

How did municipalities leverage available resources to move program implementation forward?

Some municipal procurement departments have reported that they:

- *Set fewer goals for the year, communicated these goals widely, focused on prioritizing goals with defined targets and metrics while regularly monitoring and communicating progress on targets over the year*
- *Identified and formalized “every day” departmental procedures that supported sustainable purchasing goals and initiatives*
- *Focused to work with one supplier at a time, thus making more substantial progress and piloting programs and experiences that were transferable to other suppliers*
- *Allocated some funding within their annual budget for incremental training throughout the year rather than big budget training initiatives every few years and losing momentum*
- *Formed interdepartmental teams that focused on sustainable purchasing by:*
 - *identifying high impact product and service procurements*
 - *developing strategic relationships with municipal staff and suppliers*
 - *developing measuring and reporting criteria*
 - *facilitating training and communication initiatives*



2. NATIONAL SNAPSHOT: SUSTAINABLE PROCUREMENT PROGRAMS ACROSS CANADA

The table below provides a snapshot of the progress of MCSP’s municipal partners on their sustainable procurement programs. Interviews were conducted with key municipal representatives to produce these self-ratings. Programs were self-assessed using the ‘10 Best Practice Program Areas’ framework established by the MCSP to describe successful sustainable procurement programs (See Appendix B).

10 Best Practice Program Areas Progress Chart

Program Areas	Strategy & Action Plan	Green Purchasing Policy	Supplier Code of Conduct	Additional Sustainability Commitments	Dedicated Staffing & Resources	Procurement Tools & Procedures	Training & Communication	Supplier Engagement	Measurement & Reporting	Leadership & Collaboration
Caledon	◐	◐	○	○	◐	◐	○	○	○	◐
Edmonton	●	●	●	●	●	◐	◐	◐	◐	●
Grand Prairie	◐	◐	○	○	◐	◐	◐	◐	◐	◐
Guelph	◐	◐	○	◐	○	◐	◐	○	○	◐
Kelowna	◐	●	○	◐	◐	◐	◐	◐	○	◐
Kingston	◐	◐	○	◐	○	◐	◐	◐	○	◐
Ottawa	◐	●	●	◐	◐	●	●	◐	◐	◐
Prince George	◐	●	○	◐	●	◐	◐	◐	◐	◐
Red Deer	◐	○	○	○	○	○	○	○	○	◐
Saanich	◐	◐	○	◐	◐	◐	○	◐	○	◐
Saskatoon	◐	◐	○	◐	◐	○	○	◐	◐	◐
Surrey	◐	◐	◐	○	◐	◐	○	◐	○	◐
Vancouver	●	●	●	●	●	●	◐	◐	◐	◐
Victoria	◐	◐	○	◐	○	◐	◐	◐	◐	◐
Whitehorse	◐	◐	○	○	○	◐	◐	○	○	◐
Wood Buffalo	○	◐	○	○	○	○	○	○	○	○

○ just beginning or future priority ◐ in progress with room for improvement ● well developed with solid experience

Which of the Top 10 Best Practice Areas were Municipal Priorities in 2013?

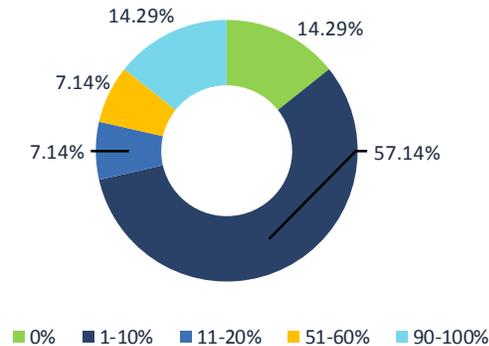
In spite of MCSP participants being in various stages of their sustainable procurement programs, there are some overlapping program areas in which all municipalities made tangible progress. The top program development areas for 2012 as identified by municipalities were:

1. **Maturing Strategies and Action Planning.** All municipalities developed their customized Strategic Action Plans last year with ongoing evaluations and updates completed during 2013. Some new participants researched and identified opportunities within the marketplace to develop a sustainable purchasing program. Other more advanced participants were able to strongly prioritize streamlining their action planning.
2. **Securing Dedicated Staffing and Resources.** While staffing and resources remains a constraint that influences almost all other program areas, it is also an area of achievement. Several MCSP participants managed to focus their resources in a part-time dedicated sustainable purchasing position, or integrated sustainable procurement responsibilities into existing roles, such as positions of sustainability coordinator/manager or material manager and others improved communication between purchasing and sustainability departments.
3. **Deepening Supplier Engagement.** Participants significantly increased their engagement with suppliers this year. Activities focused around engaging with suppliers' sustainability, supplier declarations, rolling out sustainability guidelines, working with vendors to create reports on environmental impacts, and reaching out to a variety of suppliers through 'Sell to the Municipality' seminars and vendor fairs.
4. **Refining Tools and Procedures.** Most municipalities worked on refining and expanding their set of sustainable purchasing tools and procedures to better collect and evaluate sustainability information from vendors, to empower staff to make more sustainable choices, to minimize risks, and to integrate sustainability goals into procurement. Efforts ranged from developing a sustainable procurement toolkit, to applying the supplier code of conduct to all suppliers.
5. **Broadening Collaboration and Leadership.** Departments continued to maximize on their participation in MCSP, and kept their collaboration with other departments, e.g. the sustainability department, as well as non-member municipalities and other organizations. Three new municipalities, the Town of Caledon, the City of Red Deer, and the City of Richmond, joined the group. Only one participant left. Participants took part in 10 Peer Exchange seminars in 2013, including two seminars focused on strategic procurement topics. Also included was a series of examples for successful collaboration between municipalities, municipality and province, e.g. Whitehorse's work with the Yukon Government to identify common commodity purchases to bulk order, and municipalities and vendors.
6. **Activating Training and Communication.** Capturing audiences in order to get staff to participate in sustainable activities to raise awareness and participation in sustainable procurement included introductory training to key departments and supply branch staff, highlighting of the sustainable purchasing policy, e.g. on the municipality's website, and additional training. Transferring the message to staff that changing procurement practices one at a time is feasible was seen as a critical success factor. Tracking where communications efforts were going was deemed as key to recognizing success and modifying strategies. Communicating through email or email contests was seen as a modest budget alternative. A best practice example shared by an MCSP guest from the City of Portland, USA was to find ways to integrate sustainable purchasing into other procurement trainings, processes, and meetings to be more about "how we do business" rather than something "extra". See more on Training and Communication in paragraph 2 of this section.

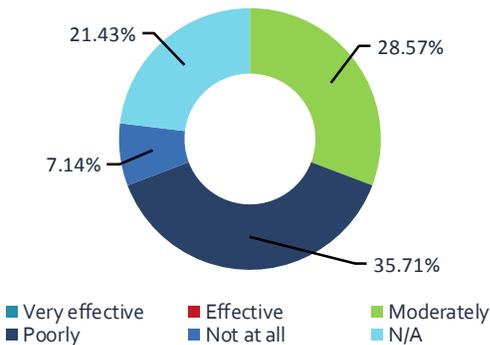
Training and Communications – A Success Factor Waiting to be Fulfilled

The chart below shows that, within most municipalities, comprehensive training and education on sustainable procurement was only available for a small part of staff (1-10%), often the ones that didn't receive training before. Generally, training was deemed to be crucial for the overall success of program implementation; but due to resource constraints, too little was provided.

What percentage of your staff has received comprehensive training and education on sustainable procurement?



How effective has your training and communications strategy been in raising the skills of sustainable procurement amongst staff and ensuring tangible environmental and economic benefits from sustainable purchasing?



When asked how effective their training and communications strategy has been in raising the skills of sustainable procurement amongst staff and ensuring tangible environmental and economic benefits from sustainable purchasing, a majority of 36% of total respondents said it was poorly effective. Merely 7% found the training to be effective. Repeated training was considered to be critical but rarely delivered. Some choose external exchange with peers over an internal training rollout.

What were the Top Categories for Sustainable Procurement in 2013?

Continuing a trend from previous years, municipalities focused their efforts on a series of green product categories whose marketplace is well developed or for which sustainability specifications are easily attainable. Once again, this list starts with the well-developed green product categories of copy paper, other office supplies and equipment. Some municipalities followed their peers in committing to 100% post consumer recycled paper. Some expanded this effort to recyclable printer cartridges and eco-efficient printers. Green janitorial and cleaning supplies were equally low hanging fruits.

The Top 5 sustainable purchasing product categories that municipalities focused on in 2013:

1. Copy paper
2. Office supplies
3. Janitorial and other cleaning supplies
4. IT Equipment
5. Light Duty Fleet Vehicles

3. A GLIMPSE AHEAD – THE OUTLOOK FOR 2014

With their tremendous purchasing power that impacts millions of lives everyday, Canadian Municipalities continue to play a key role in sustainability, both as engines of our economy and as champions acting locally to deliver environmental results for Canadians. Sustainable procurement is becoming a more established mechanism to advance municipalities' green and social agendas and to strengthen ties with enterprises that help them pursue these agendas.

Given the moderate, yet important progress municipalities have made in 2013 with professionalizing sustainable purchasing, what does 2014 hold for them?

Nearly all MCSP participants expect that their sustainable purchasing activities will increase in 2014, due to more dedicated part-time resources and increasing capacity. Municipalities will do smarter sustainable purchasing by setting strategic priorities and scaling up sustainability impact. This will involve translating more general policy statements and principles into a few pilot projects, e.g. in key construction contracts, that then can be used to engage staff and other suppliers. It will involve benefiting from synergies through more effective collaboration, as municipalities are getting more sophisticated in working together with different groups. In order to be able to intensify sustainable impacts, tracking and reporting on measures such as emissions and waste diversion rates will become indispensable.

What are the Top Program Areas for 2014?

Based on the 10 Best Practice Program Elements and through interviews and surveys, municipalities identified the following as priority program areas for 2014:

- **More Meaningful Measurement and Reporting.** Developing key performance indicators and implementation targets was already a top priority in 2013. In 2014, the goal will be to record and report on more meaningful measures. After starting with indicators such as the number and the value of contracts where sustainable purchasing was used, municipalities can progress to collaborating with suppliers on tracking impact metrics, e.g. the amount of fuel resource and emissions saved by streamlining delivery or the amount of packaging reduced by using eco-efficient packaging solutions. Including the regular reporting of impact measures into contracts will be one way to facilitate such tracking. Verification of impact data delivered by suppliers will pose a new opportunity, e.g. by including energy audits as a verification requirement within the RFP. For those just starting out with policy and guidelines, measuring staff awareness in an annual survey will be a first step. Including baseline reporting on sustainable purchasing into the annual purchasing report to City Council will be an important move to gain Councilors' buy-in.
- **More Effective Training and Communication.** Training and internal communication activities build staff capacity in understanding and applying sustainable procurement practices and tools and support the change management process. External communication informs vendors of new sustainability policies and specifications and increases compliance with bidding requirements. For municipalities that are starting out, it will be key to fully develop training and communication material in order to affect a culture change.

Examples of MCSP participants' planned activities for 2014 include:

- Conducting more regular training activities on the benefits of sustainable purchasing and application of technical tools and procedures;
- At the beginning of the year, bringing staff together in small groups (5-10 people) to raise the profile of sustainable procurement, talk about achievements so far, including small ones, and solicit input on what could be done;
- Further engagement with key city departments to identify more electronic procurement processes in specific departments; and
- Educating the entire buyer base on sustainable choices.

- **Scaling up Implementation Tools and Procedures.** In 2013, municipalities focused on applying newly developed tools and procedures to contracts so that staff could evaluate bids on the basis of sustainability. In 2014, a further optimization of technical tools and procedures will ensure that suppliers are demonstrating sustainability leadership in their business practices and that product and services meet sustainability specifications. It will also help buyers rapidly scale up implementation.

Optimization examples MCSP participants plan for 2014 include:

- Integrating sustainable purchasing principles into the main purchasing manual;
 - Introducing verification of the supplier code of conduct;
 - Implementing revised ‘general’ requirements in RFx documents with procurement staff trained in tools; and
 - Having a dedicated evaluation weighting for sustainable components within a tender or RFP.
- **More Impact through Meaningful Supplier Engagement.** To drive implementation of sustainable procurement practices forward and increase sustainable impact, municipalities want to continue to collaborate deeply with existing partners as well as with new ones. This deeper collaboration involves more one-on-one pilot projects with suppliers that are not as advanced yet in green product and service supplies and thus can be a major source for innovation. In terms of wider supplier engagement, green vendors’ fairs are likely to be repeated and grown this year. Some municipalities would also like to engage suppliers on other triple bottom line issues, such as fair trade.

What are the Top Product and Service Categories for 2014?

Municipalities named the top product and service categories they would like to concentrate on in 2014. The list is comprised of similar products that were prioritized by municipalities in 2013. Notably, there is a distinct lack of services included on this list. Municipalities continue to struggle with linking sustainable principles to service procurement contracts. A challenge for municipalities to take on in 2014 is to make sustainable purchasing work in the service sector.

The Top sustainable purchasing product categories that municipalities will focus on in 2014:

- Office supplies and equipment
- Computers/IT
- Lighting
- Paint
- Food Catering & Café Services
- Promotional items
- Construction materials and services
- Vehicle/fleets
- Work uniforms



Appendix A: AN MCSP WORKING DEFINITION OF SUSTAINABLE PROCUREMENT

MCSP is working hard to continue to define the benefits and attributes associated with sustainable purchasing within the public sector. Below is a working definition of sustainable procurement through a public sector lens. The definition further breaks down sustainable procurement into three sub-categories that provide a deeper understanding of the scope of influence that sustainable procurement has within the marketplace.

What does sustainable procurement mean to municipalities? Sustainable procurement is both an art and a science. The art is in creating a process where municipalities consider 'best value' and 'total' costs in their procurements. In other words, a process in which municipalities evaluate products based on their price, lifecycle, quality, and sustainability features rather than just on unit cost alone. The science is in choosing the sustainability features that are relevant to your organization. Within the MCSP, the working definition for Sustainable Procurement is intentionally broad to capture the range of different types of sustainable procurement practices, namely:

- **Green or Environmentally Preferable Procurement.** Procurement to mitigate environmental impacts such as greenhouse gas emissions, toxicity, waste generation, excessive resource use, etc.
- **Ethical Procurement.** Purchasing to avoid sweatshop labour and ensure fair labour practices within production facilities; often supported at the policy level by a **Supplier Code of Conduct**.
- **Socio-Economic Purchasing.** Purchasing and promoting health and safety, local economic development, minority groups, social enterprises, Living Wage, local food, fair trade or other measures, which improve the health and well-being of individuals and communities.



Appendix B: THE MCSP BEST PRACTICE FRAMEWORK FOR SUSTAINABLE PROCUREMENT: PROGRAM ELEMENTS & EXAMPLES

This framework of 10 key Sustainable Procurement Program Elements has been created based on the collective experience of MCSP participants. It identifies the policies and practices that make for a solid and impactful program – one that delivers tangible business results. Ultimately, a high performing program has all of these elements in place – but we recognize it takes time to reach scale in all areas.

These 10 elements are defined below, with 2013 real-world examples from municipalities showcased for each.

1



Strategy & Action Plan

Documenting, building out, and enhancing a phased implementation plan; this is aligned with organizational goals to guide development and improvement of your sustainable procurement program

Examples

The **City of Red Deer** researched and identified top sustainable products within the marketplace that aligned with 2013 City goals. After these products were identified, a sustainable purchasing strategy and action plan were developed to map out a successful year in 2013. The **City of Edmonton** has been developing a 3-year Sustainable Purchasing Plan that will be presented to Council for information in spring 2014.

2



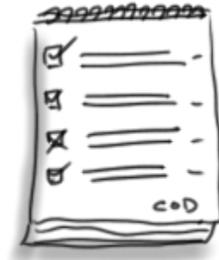
Green Purchasing Policy

Developing a green or sustainable purchasing policy or policy guideline that identifies why sustainable purchasing is important to your organization and sustainability commitments and priorities to guide your program.

Examples

The **City of Richmond** developed a Sustainable Purchasing Policy in 2013 as well as the **Town of Caledon**, which developed a Green Purchasing Policy with supporting tools.

3



Supplier Code of Conduct

Developing a code of conduct for your suppliers clearly articulating the minimum ethical standards you expect them to meet with regard to their operations (i.e. no sweat-shops, no discrimination)

Examples

The **City of Vancouver's** Supplier Code of Conduct is now applied to all its vendors. The **City of Edmonton** is working to include a Supplier Code of Conduct more consistently within all procurement solicitation documents.



Social Sustainability Commitments

Considering other socio-economic sustainability considerations when procuring goods and services (e.g. Fair Trade, Living Wage, social enterprises, local food etc.)

Examples

The **City of Vancouver** worked on procurement opportunities to support social enterprise businesses. The **City of Prince George** is working with a local supplier that will donate funds to a local charity for every writing instrument that City staff is able to recycle.

5



Dedicated Staffing & Resources

Having at least 1 part-time staff person dedicated to sustainable procurement (in their job description) as well as adequate funding for your sustainable procurement program

Examples

Several municipalities dedicated staffing to sustainable procurement in 2013. The **City of Vancouver** assigned a Senior Category Manager the responsibility for further developing sustainable procurement.

6



Tools & Procedures

This performance area includes the development and application of customized procurement tools & procedures to standardize operating procedures and support staff in delivering sustainability measures for major purchases.

Examples

The **City of Edmonton** implemented a hybrid form of the Vendor Leadership Questionnaire, increasing the usability of the document. The **City of Richmond** added specifications to its green fleet policy. The **City of Kelowna** developed a sustainability checklist. The **Town of Caledon** added five sustainability related points to all its RFPs.

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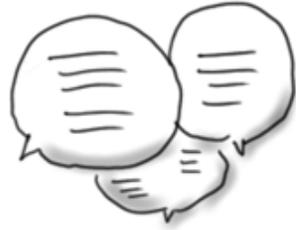


Training & Communication

Developing and delivering impactful training to municipal procurement staff, key client departments, and other administrative staff in order to empower them and advance commitments to sustainable procurement policy.

Examples

The **City of Ottawa** delivered introductory training on sustainable procurement to key departments and supply branch staff. It also highlighted the Ethical Procurement Policy on the City's website.



8

Supplier Engagement

Engaging suppliers to gain their buy-in for your sustainable procurement specifications for their good or service to create strategic partnerships, strengthen relations with your suppliers, and stimulate innovation.

Examples

The **District of Saanich** engaged vendors on how to respond to their new sustainability declaration. The **City of Surrey** engaged with a local office supply vendor to provide the City with sustainability performance metrics and realized cost savings associated with the vendor's environmentally friendly products and services.

9



Measurement & Reporting

This performance area evaluates the success of your sustainable procurement program by developing key performance indicators, assigning measurable implementation targets, and evaluating success through a reporting framework that promotes transparency.

Examples

The **City of Vancouver** drafted KPIs and started to collect baseline information on key program elements (EPPs, Social enterprise procurement). Reports are made to Senior Management via a Sustainable Purchasing Steering Committee.

10



Leadership & Collaboration

This performance area emphasizes collaboration with other municipalities and organizations in order to advance sustainable procurement by providing leadership, collaborating resources, and sharing knowledge on previous experiences and best practice models.

Examples

The **City of Ottawa** shared lessons with smaller municipalities on developing the city's sustainable purchasing guide. The **City of Whitehorse** worked with the Yukon Government to identify common commodity purchases to bulk order.

Appendix C: HIGHLIGHTS & BEST PRACTICE CASE STUDIES

Paper Recycling and Production

The **City of Edmonton** Contributed \$5 million to the \$20 million Grey's Recycling Facility that collects waste paper and linen (100% cotton materials) products from City offices, residents and hotels and achieves "closed-loop recycling" by processing it into recycled paper products for sale back to the City and other clients. The facility is the first of its kind to produce paper products from waste paper and cotton without using any new material or harsh chemicals. Grey's recycling began collecting paper in 2011 and production started in 2013.

The Outcome

55 jobs were created at the facility; at full capacity 100 employees will work there. More than 100 local companies are now providing paper and used cotton fabric (e.g. clothing and sheets) to Greys and have also committed to 'joining the loop' and will purchase products from Greys. The City is receiving a share of the profits.

Communicating Green Purchasing

The **Town of Caledon** recently revised the Town's purchasing bylaw and within the revision significantly enhanced its commitment to green purchasing. Following the bylaw's endorsement, the Town will host a green vendor fair in conjunction with Earth Day in April 2014. Through this fair, vendors will be able to share their green products with the Town and Town staff will be able to get a better understanding of available options for green purchasing.

The Outcome

Through the green vendor fair, the Town of Caledon will strengthen relationships with green vendors while educating Town staff on green purchasing. It is anticipated that the green vendor fair will encourage the Town's commitment to green purchasing.

Supplier Engagement

The **City of Surrey** engaged with Mills Basics, a local office supply company, about providing the City with green office supplies and delivering the office supplies more sustainably. Mills Basics was able to provide the City with green office supplies and partnered with another local company, FrogBox, to provide reusable containers to deliver the office supplies. Everyone within City Hall is now signed up for FrogBox and no longer receives office supplies in a cardboard box. The delivery schedule was also streamlined to once a week delivery instead of next day delivery.

The Outcome

Through this engagement with Mills Basics and the partnership with FrogBox, the City of Surrey has reduced its packaging and emissions, and is supporting local business.

Multi-Party Collaboration

The **City of Prince George** built a new RCMP building and was working with its office furniture supplier, SpeedDee Your Office Experts, to outfit the new building. Through a collaborative effort, the City was able to acquire existing Global office furniture from an RCMP building in Surrey to repurpose. SpeedDee and the Global Upholstery Co. agreed to assist with this acquisition of re-worked furniture from the City of Surrey.

Biotechnology Cleaning Products

The **City of Ottawa** awarded a standing offer to Innu-Science Canada, of Sainte Julie, QC, for the supply of biotechnology cleaning products to clean Transit Services' (OC Transpo) vehicles, transit stations, bus shelters, garages, stockrooms, and office areas. Biotechnology cleaning products respect the environment and the health of the general public and transit employees.

Externally Managed Uniform Solution

The **City of Ottawa** awarded a contract to Logistik Unicorp, of St. Jean-sur-Richelieu, QC, to provide a complete uniform management solution, including design development, specification writing, supply chain management and ethical procurement, manufacturing, quality assurance, warehousing, order management including on-line ordering, distribution, customer service and reporting. The benefits of an externally managed uniform solution were realized by reductions in warehousing, inventory and administration costs. It is anticipated that improvements in product quality and durability will result in decreased lifecycle replenishment.

The Outcome

Furniture was up-cycled instead of thrown away, new furniture was built in a sustainable way, and financial savings were realized for the City of Prince George. This project ended up saving the City \$550,000, which accounted for a 60% savings on the budget of the project. With the remaining budget, new workstations were created from 100% recycled aluminum, soy based foam, 69% post-consumer plastic, and 100% biodegradable inks/fabrics.

The Outcome

Biotechnology cleaning products provide the following sustainable benefits:

- *Not classified as hazardous according to WHMIS*
- *Not controlled by the Transportation of Dangerous Goods Act*
- *Comply with the Canadian Environmental Protection Act (CEPA)*
- *"...protect the environment, including its biological diversity, and human health, by ensuring the safe and effective use of biotechnology."*

A pilot project achieved the replacement of 38 chemical based cleaning products with 11 biotechnology products, and a reduction in warehouse shelving space formerly dedicated to cleaning products.

The Outcome

The City is able to leverage industry best practices and specialized skills to control the cost of uniforms and work wear, and to provide comparable customer service and product quality to approximately 6,131 employees working in public transit, paramedic, fire, by-law services, public works, and environmental services.

The City was able to close a warehouse and reassign staff formerly dedicated to managing approximately \$1.1 million worth of uniform clothing resulting in a "cost neutral" solution.

The Contractor's direct control over sourcing and manufacturing ensures compliance with the City of Ottawa's Ethical Purchasing Policy and Supplier Code of Conduct.

Biodiesel Conversion

The **City of Guelph** successfully introduced a policy a year and a half ago to convert all fleet vehicles to biodiesel. They started with transit vehicles, then garbage trucks, fire trucks, light duty vehicles and finally passenger vehicles were all switched over to biodiesel. Guelph's success stems, at least in part, from a supportive city council and a reliable vendor who can guarantee the fuel's quality. To continue their sustainable practices and reduce emissions even more, Guelph is introducing hybrid vehicles as well as a natural gas conversion initiative.

The Outcome

The City of Guelph is able to use B5 fuel in the winter and B10 or B20 fuel in the summer, and they estimate that using biodiesel reduces emissions by ten percent based on data from Natural Resource Canada. They are also paying less for biodiesel while getting a substantial environmental benefit.

Appendix D: THE MUNICIPAL COLLABORATION FOR SUSTAINABLE PROCUREMENT

The Municipal Collaboration for Sustainable Procurement (MCSP) is a group of Canadian municipalities collaborating to share information, resources and best practices for sustainable procurement. The group was formed in 2010 and its membership has increased in the last four years with a total of 17 municipalities actively participating in the group in 2013. Municipalities are typically represented by their Directors of Supply Management, Procurement Managers or Senior Environment/Sustainability Managers – all of whom participate in a series of networking teleconferences, webinars and action planning sessions held over the year. Municipalities gain profile, share sustainable procurement lessons, best practices and tools enabling them to fast track their individual program development. A sustainable procurement expert facilitates the discussions and training sessions, and provides project secretariat services to the collaboration.

2013 MCSP Participants

City of Edmonton, Dan Lajeunesse, Branch Manager, Materials Management*

City of Grand Prairie, Bob MacNeill, Purchasing Administrator

City of Guelph, Bill Stewart, Manager of Procurement and Risk Management

City of Kelowna, Maureen Loft, Manager, Purchasing and Stores

City of Kingston, Janis Morrison, Purchasing Coordinator

City of Ottawa, Jeff Byrne, Chief Procurement Officer*

City of Prince George, Sylvia Foot, Buyer, Supply Services *

City of Red Deer, Jane Burns, Procurement and Contracts Specialist

City of Richmond, Syd Stowe, Manager, Purchasing

City of Saskatoon, Linda Rauckman, Manager, Materials Management

City of Surrey, Anna Mathewson, Manager, Sustainability

City of Vancouver, Lorelee Delbrouck, Senior Business Relationship Specialist

City of Victoria, Glen Oberg, Manager, Supply Management Services*

City of Whitehorse, Shannon Clohosey, Sustainability Project Manager

City of Wood Buffalo, Ted Zlotnik, Director, Supply Chain Management

District of Saanich, Paul Arslan, Manager, Purchasing

Town of Caledon, Amedeo Valentino, Manager, Purchasing and Risk Management

* MCSP Steering Committee Representative