

# Blazing a New Trail for Canadian Municipalities

## *Municipal Collaboration for Sustainable Purchasing*

The Municipal Collaboration for Sustainable Purchasing (MCSP), a group of seven Canadian municipalities and two regional municipalities, recently released their first annual report on trends and best practices in municipal sustainable purchasing. For the first time in Canada, municipal sustainable purchasing has been clearly defined and a common strategy is now in place to guide municipalities in advancing their sustainable purchasing practices.

### Advancing Sustainable Purchasing Practices

In July 2010, MCSP was initiated to provide leadership and leverage collective experience, knowledge, and resources to advance sustainable purchasing initiatives across Canada. A main objective of MCSP is to research trends and best practices on an annual basis in order to guide the advancement of sustainable purchasing practices in the municipal sector. MCSP also hosts a series of Peer Exchange Teleconferences to encourage networking amongst municipalities and provides strategic advice to individual municipalities on implementing successful sustainable purchasing programs.

The 2010 study on trends and best practices demonstrates that sustainable purchasing is an increasingly important element in the sustainability sections of municipal strategic plans. Few other programs can directly contribute to multiple civic agendas around zero waste, climate leadership, economic development, staff engagement, risk mitigation, and improved operational efficiencies and cost reductions. Canadian municipalities recognize the significant potential of sustainable purchasing and are committed to enhancing their practices to achieve such benefits.

However, sustainable purchasing is a relatively new strategy amongst Canadian municipalities and many local governments are facing challenges (e.g., limited time, financial resources, and technical expertise) in developing and implementing related practices. As a response to these challenges, the MSCP commissioned the *Trends and Best Practices in Municipal Sustainable Purchasing* study<sup>1</sup> with the aim of helping to maximize the environmental, social, and financial benefits of municipal sustainable purchasing programs.

### Current Trends and Best Practices

By examining successful programs, 10 key sustainable purchasing program elements were identified as the main success factors in developing leading municipal sustainable purchasing programs. The study showed that, to maximize the impacts and benefits of sustainable purchasing initiatives, organizations must achieve solid performance across all of the following program areas:

1. Develop a *written action plan* based on benchmarking and best practices to guide program implementation.
2. Approve and widely communicate a clear *sustainable purchasing policy*, directive, or guidelines.
3. Commit to a broad range of sustainable purchasing initiatives that *address environmental, social, and financial sustainability issues*.
4. Develop a *supplier code of conduct* that clearly defines minimal fair labour standards for suppliers.
5. Secure and deploy *adequate program resources* and funding.
6. Embed a set of *procedures and tools* into standard operating practices.

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<sup>1</sup> To access the *Trends and Best Practices in Municipal Sustainable Purchasing* report or to learn more about MCSP, email Kevin McCarty at <kevin@reeveconsulting.com>.

7. *Train and communicate* effectively with key staff.
8. *Engage with suppliers* early to ensure understanding of requirements.
9. *Monitor progress, verify performance* and commit to transparency in your program.
10. *Demonstrate leadership and collaborate* with others.

The study examined these elements in detail and assessed the level of experience of 12 Canadian municipalities, as outlined below, in terms of implementing each element. The study revealed that the majority of municipalities are focusing current efforts on developing formal corporate sustainable purchasing commitments (e.g., policies, administrative directives, by-laws) and benchmarking their performances against best practices in order to identify gaps and support the development of annual action plans. Municipalities are also committed to collaborating with their peers in order to share resources and experiences, and provide leadership in scaling up sustainable purchasing performance.

In the longer-term (late 2011 through 2012), municipalities plan to focus on developing the following program elements:

**Tools and procedures** – to support purchasers in assessing sustainable product, services, and suppliers.

**Communication and training** – to provide necessary skills and information to key staff.

**Supplier codes of conduct and engagement strategies** – to clearly communicate minimum performance requirements and engage with select suppliers to achieve common sustainability objectives.

**Performance metrics and verification systems** – to track program and supplier performance and support reporting and continuous program improvement.

In terms of program scope, municipalities continue to give priority to environmental issues (e.g., energy conservation, waste reduction) over social or ethical issues (e.g., sourcing from minority groups, addressing sweatshop issues). However, social and ethical purchasing is on the rise in Canada, as municipalities tend to be committed to a triple-bottomline (i.e., environmental, social, and financial) approach to sustainability management and are looking to go beyond environmental issues in their sustainable purchasing programs.

### Who is Involved in the MCSP?

The MCSP is made up of purchasing and sustainability staff from municipalities scattered across the country. The municipalities range in size from approximately 7,000 to over 800,000 residents. Together, these municipalities spend billions of dollars on products and services each year, and their supply chains extend across the world. The wide variety of products and services needed to operate these cities, from cleaning and office supplies, to IT equipment, to motor vehicles and major construction projects, offer a unique opportunity to create new strategies for purchasing and supply chain management that will provide benefits locally, nationally, and overseas.

To date, nine Canadian municipalities have joined MCSP, which would not be possible without the lead sponsorship support of the City of Ottawa, City of Saskatoon, and City of Edmonton. Halifax Regional Municipality, City of London, City of Guelph, Regional Municipality of Wood Buffalo, Town of Olds, and City of Whitehorse have also provided valuable leadership to MCSP.

The sustainable purchasing practices of these nine municipalities were compared against the 10 key sustainable purchasing program elements and the report indicates the level of experience amongst Canadian municipalities in implementing these program success factors. The City of Vancouver, City of Calgary, and City of Victoria also contributed to this study, and the current status of their sustainable purchasing programs are also included. The report identifies top priority sustainable purchasing initiatives for these municipalities, helping to draw out a common strategy for municipal sustainable purchasing in 2011 and beyond.

### Collaborating to Scale-up Sustainable Purchasing Benefits

According to Jeff Byrne, Chief Procurement Officer, City of Ottawa, there are many benefits to participating in the MCSP program, including increased access to information and lessons learned, developing civic partnership and leadership, and advancing sustainability performance in the public sector. Another active participant in the collaboration, Shannon Clohosey, Sustainability Projects Manager, City of Whitehorse, has said she is very optimistic about where the project is going and wants to remain active in 2011.

A recent performance evaluation of the MCSP in 2010 identified that participants feel they have received significant return for a modest investment in time and funding. The MCSP looks forward to carrying forward the valuable lessons learned in 2010 and sharing these with other municipalities.

Plans for 2011 include growing the number of participating municipalities in order to tap into a larger pool of experience, knowledge, and resources, and broadening the benefits of the project. Among the key deliverables will be continued peer exchange teleconferences, technical sustainable purchasing webinars, an update to the study, customized individual action planning sessions for each municipality, and participation in relevant conferences and forums.

In 2011, members of the MCSP will advance their experience in evaluating products, services, and suppliers based on their sustainability performance. More specifically, they will be looking to conserve energy, reduce greenhouse gas emissions, minimize waste, and improve workplace health and safety. At the same time, they will be evaluating suppliers based on their corporate social responsibility or overall sustainability performance. They will be looking beyond product/service design to determine how suppliers are “greening” their business operations or supporting local community development. *MW*