

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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About the MCSP State of the Nation Report

The Municipal Collaboration for Sustainable Procurement (MCSP) was initiated by a group of Canadian municipalities to facilitate collaboration and the sharing of resources and technical expertise to advance sustainable procurement. MCSP is a front-runner in setting new benchmarks and best practices in the field of sustainable procurement. This collaborative group envisions, in the future, being a leading learning and capacity-building network for municipalities in Canada.

The 2012 Annual Report on the State of Municipal Procurement in Canada is the third annual report of the Municipal Collaboration on Sustainable Procurement (MCSP). Drawing from lessons learnt, current practices, challenges and opportunities faced by municipalities in 2012, this report presents key themes and trends for this year and puts forth observations for the year ahead, based on consultations with municipalities. This report is intended to be a resource for municipalities and other agencies who are planning, developing or optimizing sustainable procurement programs. It is also a summary for City Council members and City Management Staff who want a snapshot of this emerging strategic practice.

The information in this report was gathered through interviews with MCSP members (see Page 18 for complete listing) and a series of peer exchange teleconferences organized to promote collaboration within the group. Relevant municipal sustainable procurement documents (e.g. reports, policies, tools) and additional literature were also examined.

Acknowledgements

We would like to acknowledge the staff from municipalities across the country who contributed their time to provide valuable information for this report. We would also like to thank the Steering Committee of the Municipal Collaboration for Sustainable Procurement for their guidance in the development of this report.

MCSP Steering Committee

1. City of Edmonton, Dan Lajeunesse, Branch Manager, Materials Management
2. City of London, John Freeman, Manager of Purchasing and Supply
3. City of Ottawa, Jeff Byrne, Chief Procurement Officer
4. City of Prince George, Scott Bone, Manager, Supply and Fleet Services
5. City of Victoria, Glen Oberg, Manager of Supply Management Services
6. City of Whitehorse, Shannon Clohosey, Sustainability Project Manager

Report Organization

The report is arranged into several sections so that readers can easily identify topics that interest them. The sections are organized as follows:

- **Section 1.** Introduction to the MCSP annual report highlighting important themes and key contributors.
- **Section 2.** Outline of the current state of municipal sustainable procurement, emphasizing progress and challenges.
- **Section 3.** National Snapshot of the current state of municipal sustainable procurement across Canada: key trends, gaps and opportunities and future priorities (program elements, product and service areas) identified by municipalities for 2013
- **Section 4.** Framework establishing the 10 key program areas for successful sustainable procurement; real-world success stories of municipalities are included
- **Section 5.** Expectations for the year ahead and forecasting potential trends.

This study is part of a long-term vision to monitor the state of municipal sustainable procurement in Canada. The MCSP plans to conduct annual research over a long-term to continuously update municipal sustainable procurement trends and best practices data and support the advancement of sustainable procurement practices across Canada.

Background information on The Municipal Collaboration for Sustainable Procurement is provided at the end of this report.

Section 2: Municipal Sustainable Procurement in 2012: A Turning Point?

Why is it likely that in the future, the year 2012 may be seen as a turning point in the evolution of municipal sustainable procurement in Canada? Not because there was a sudden surge in sustainable procurement activities, nor because there was a much needed injection of new human or financial resources to scale up programming. No, for municipalities across the country striving to leverage procurement to make positive environmental and social impacts, 2012 is much more likely to be remembered as the year it became apparent that real success will come from working smarter – not just harder.

It can often be a lonely world for Directors of Procurement and Supply Management Managers which try and support their teams to capitalize on the opportunity that sustainable procurement offers to drive performance in key corporate strategy areas. It's tough when you can see the potential for positive impact – but just don't have access to the resourcing needed to hit critical mass.

If sustainable procurement still needs to prove itself to City Managers or some members of Council, let there be no doubt that staff working on procurement and sustainability are strong believers in the value proposition. And as they increasingly connect with one another through initiatives like the Municipal Collaboration for Sustainable Procurement (MCSP), they are planting the seeds of a potentially whole new scale of sustainable procurement in Canada in the years ahead.

Environmental Supply Chain Risks

waste & packaging



carbon emissions



water pollution

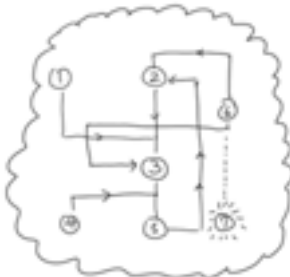


Supply Chain Pain Points

supplier frustrations



inefficient processes



disengaged employees



So if 2012 didn't show huge new growth in the area of sustainable purchasing activity, what it did show was unprecedented levels of collaboration between municipalities – as more and more municipalities began sharing product specifications, advising each other on strategic sourcing approaches, discussing supplier engagement strategies and exchanging feedback on supplier scorecards and other sustainable procurement tools.

Municipal spending represents tens of billions of dollars of economic activity within Canada. Change takes time. Progress sometimes comes in small increments. But slowly, hundreds of thousands of dollars at a time, all across the county, from Victoria to Whitehorse to Halifax, municipal procurement is taking a triple bottom-line and 'best value' approach. Municipal calls for products and services that have great price, quality and service and sustainable features are being heard. The marketplace is responding. Suppliers are innovating. Green is becoming more authentic. It may still be slow; but the tide of sustainable procurement continues to rise.

MCSP Working Definition of Sustainable Procurement

What does sustainable procurement mean to municipalities?

Sustainable procurement is a process where municipalities consider 'best value' and 'total' costs in their procurements, in other words, it is when municipalities evaluate products based on their price, lifecycle, quality, and sustainability features rather than on just unit cost alone. The science is choosing the sustainability features that are relevant to your organization. That means choosing between many different potential features. 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 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.

Key Trends

The momentum of many municipal sustainable procurement programs slowed this year as municipalities evaluated their next steps forward more strategically. Recognizing the positive environmental and social impacts sustainable procurement can provide, municipalities allocated resources carefully to make the most of their limited resources. Several key trends were observed that demonstrate how this year was pivotal for municipalities in re-shaping their approach to their programs.

1 A focus on collaboration

One of the major successes for 2012 was the level of collaboration, both internally and externally, amongst MCSP participants. The majority of municipalities reported increases in spending on sustainable products or services and a greater number of Request for Proposals (RFP), tenders, and bids going to market with sustainable criteria, despite hiring freezes and program resource reductions. In light of this increased workload and tight resources, Procurement, Supply Services, and Material Management departments leveraged strategic relationships to facilitate the purchase of sustainable and ethical products and services. Departments capitalized on their involvement in MCSP, collaborated with other groups and organizations, and explored opportunities internally by engaging with other departments such as finance and sustainability to enhance their programs.

Enhanced leveraging of the MCSP Program

Municipalities leveraged support from their peers through the use of MCSP resources that were made available to them. In particular, MCSP teleconferences and webinars facilitated introductions between municipal colleagues and provided an opportunity for information-sharing on innovative approaches to sustainable procurement. One special event organized by the MCSP Steering Committee this year was a virtual summit on opportunities for further collaboration around sustainable procurement and strategic supply chain management issues. The event provided a platform for more than 40 representatives of 22 municipalities across the country, including 7 of the 10 largest municipalities in Canada, to share their experiences in sustainable procurement.

Increased inter-department cooperation

The strong relationship between Procurement and Sustainability, observed in 2011, continues to strengthen as sustainable procurement further showcases the mutual benefits to both departments in meeting financial and environmental objectives. This year, procurement departments also reached out to other municipal departments. Messaging for sustainable procurement was put in place to educate and engage Departmental Managers and staff to raise awareness of sustainable procurement programs and instill behavioural change with regards to internal buying practices. In several municipalities, cross-departmental teams were established to champion sustainability.

Key Drivers: The Value Proposition for Sustainable Procurement

What's the business case for sustainable procurement for municipalities? Sustainable procurement is “smart procurement,” which provides municipalities with the capacity to contribute to multiple civic agendas (e.g. zero waste, climate leadership, social development) simultaneously. In addition to contributing to existing sustainability objectives, sustainable procurement provides further benefits in the form of:

- **Mitigated legal and brand risk** by suppliers complying with minimum social, environmental, and ethical standards;
- **Improved economic sustainability** through eco-efficiencies, economies of scale, and operational savings;
- **Strengthened brand, influence, and reputation** as a sustainability leader; and,
- **Engaged and empowered staff and strengthened supplier relationships** to build social capital.

Enhanced Collaboration in the market

This movement for increased collaboration was not only observed on the side of buyers but also on the side of suppliers where suppliers engaged one another to drive innovation within the marketplace. This trend was especially notable in the area of factory packaging, where suppliers worked together to come up with innovative solutions to re-use and recycle packaging materials. This optimization of packaging consequently reduced their environmental footprints and operational costs.

2 Moving ahead with program implementation

Developing a comprehensive sustainable procurement program is taking, on average, between two to five years. This year many municipalities took a dual-track approach to develop their programs. Resources were divided between building their programs, policies, procedures, tools and training and effort spent actually focusing on specific RFP's and conducting sustainable purchases. Unlike previous years, where municipal focus was based primarily on program development.

Embedding sustainability specifications in key contracts was a particularly strong priority for this year. Most contracts that were targeted to incorporate sustainability specifications were those that had a significant public profile and a high monetary value (e.g. fleets) or those for products which had a mature market for sustainability (e.g. copy paper).

With these contracts in place, municipalities will be aptly placed to monitor and report the progress of their sustainable purchasing activities; a priority identified by most for 2013. This is the perfect time for municipalities to develop a measurement and reporting system for sustainable procurement. With their programs still under development, municipalities can assess the success of their initiatives and modify and refine their programs accordingly. Another advantage of starting to make sustainable purchases is that municipalities are beginning to develop their banks of success stories. Tracking and reporting success stories is advantageous to municipalities in that it can provide support to the value proposition for their sustainable procurement programs and enhance buy-in from City Councils and other stakeholders.

Challenges

1 Resource constraints: Most still running programs off the side of their desks

Back in 2011, municipalities predicted a greater allocation of resources for their sustainable procurement programs going forward. Budget cuts and hiring freezes, however, strained resources and resulted in most municipalities continuing to run their programs off the side of their desks. Few if any of the municipalities are able to devote a full-time staff person for their programs and out of the few municipalities, City of Edmonton, City of Prince George and City of Vancouver, who did have full-time staff in 2012, Vancouver ended up reallocating resourcing from this area half way through the year. The good news is that adequate resourcing can have a significant effect on program development, as



evident in the case of the City of Prince George. The City of Prince George, a new member of the MCSP group in 2012, has a full-time person dedicated to sustainable procurement and with the help of this resource has made some very impressive progress in just a few years since policy approval.

2 Need for a stronger value proposition: Telling the Whole Story

It has been challenging for municipalities to transition from “business as usual” to embracing new approaches for triple bottom line decision making. It has been difficult to secure buy-in to sustainable procurement programs from suppliers and municipal staff (of clients and other departments) especially since limited resources for training and communication has made it difficult to embed a value proposition. In some cases, the business case for sustainability itself is not well established. As a result, stakeholders in different municipal departments are not committed to the vision of sustainability or to sustainable procurement as a means of achieving triple bottom line profitability.

3 Sustainable procurement is still often ad-hoc: Getting Focus on Impact

Procuring products and services with a sustainable advantage has been prevalent across municipalities in some areas but not others. Municipalities are purchasing more green products or services which are a part of a mature sustainability-oriented market (i.e. with proven quality and availability within the marketplace) as opposed to those within less developed industry sectors. With municipal expenditure per annum exceeding millions of dollars, municipalities are well-placed to signal marketplaces to innovate and reduce the environmental, social, and ethical impacts associated with their products or services.

Resourcing Tips

How did municipalities leverage available resources for their sustainable and ethical procurement programs? Some municipal procurement departments have reported:

- Forming inter-departmental green teams with responsibility in measurement and reporting, training and communication, and staff and supplier engagement.
- ‘Leveraging the MCSP collaboration’ to fast-track their individual program development:
 - obtaining policies, tools, training, communication, and other resources of the collaboration
 - sharing information with other municipal partners on sustainable procurement lessons learnt and best practices
- Conducting an inventory of existing municipal and key supplier practices¹. Inventorying such practices and engaging stakeholders to discuss lessons learnt can add to the value proposition and also save time and resources in building out sustainable procurement programs.

¹ Several municipalities identified that some of their departments have initiatives in place which can be considered examples of successful sustainable purchasing; however, they are not being reported as part of their programs. Similarly, they found that suppliers also apply sustainability measures which coincide with their vision for sustainability but are not reported during the evaluation of bids.”

Section 3: National Snapshot: The Status of Municipal Procurement Programs across Canada

The table below provides a snapshot of the progress of the 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 in 10 areas using the ‘10 Best Practice Program Areas’ framework (See Appendix A).

Program Areas	1 Strategy & Action Plan	2 Green Purchasing Policy	3 Supplier Code of Conduct	4 Additional Sustainability Commitments	5 Dedicated Staffing & Resources	6 Procurement Tools & Procedures	7 Training & Communication	8 Supplier Engagement	9 Measurement & Reporting	10 Leadership & Collaboration
Edmonton	●	●	●	●	●	◐	◐	◐	◐	●
Grand Prairie	◐	◐	○	○	◐	◐	◐	◐	◐	◐
Halifax	◐	◐	○	◐	◐	◐	◐	◐	○	◐
Kelowna	◐	●	○	◐	○	○	◐	◐	○	◐
Kingston	◐	◐	○	◐	○	◐	○	○	○	◐
London	◐	●	◐	◐	○	◐	○	◐	○	◐
Ottawa	◐	●	●	◐	◐	●	●	◐	◐	◐
Prince George	◐	●	○	◐	●	◐	◐	◐	◐	◐
Saanich	◐	◐	○	◐	◐	◐	○	◐	○	◐
Saskatoon	◐	◐	○	◐	◐	○	○	◐	◐	◐
Surrey	◐	◐	◐	○	◐	◐	○	○	○	◐
Vancouver	◐	●	◐	●	◐	●	●	◐	◐	◐
Victoria	◐	◐	○	◐	◐	◐	◐	◐	◐	◐
Whitehorse	◐	◐	○	○	○	○	◐	○	○	◐

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

Employing a dual track approach: Scaling up programs

This year there was a shift in the overall approach municipalities took in developing their programs with increasing utilization of a phased approach to their programs (i.e. simultaneous program build-out and implementation). Instead of focusing primarily on building out their programs, many municipalities took a more holistic approach, dividing their resources between building out the 10 Best Practice Areas and targeting supplier relationships. While some municipalities embedded select tools and procedures, such as vendor leadership questionnaires and supplier scorecards into their RFP's, others leveraged relationships with target suppliers to pursue sustainability opportunities. Many municipalities also began to plan ahead, identifying success stories and researching key performance indicators for their various initiatives.

Similar to 2011, municipalities continue to focus their attention on several key products for which sustainability specifications are readily available or where the 'green marketplace' is well advanced. This was especially true for copy paper, a commodity for which many municipalities reported commitments to 100% recycled paper.

Which of the Top 10 Best Practice Areas were top municipal priorities in 2012?

There were similarities among the various municipalities in their approach to the development of their sustainable procurement programs (i.e. program elements that were newly-established and program elements that were being built out). The top program development areas for 2012 identified by municipalities were:

1. **Action Planning.** All municipalities developed their customized strategic Action Plans last year with ongoing evaluations and updates completed during 2012.
2. **Policy development.** A main area of achievement for MCSP this year. As indicated in the snapshot table, several MCSP members finalized their green procurement policies or had them approved by City Council.
3. **Supplier Engagement.** Municipalities engaged two or more suppliers on average this year. Interestingly, suppliers were identified to be targeted on an ad-hoc basis, based on how much value their product added to existing green commitments, particularly in the areas of reducing carbon footprints and zero waste.
4. **Leadership & Collaboration.** MCSP participants were highly engaged in the group this year. Four new municipalities joined the group, 70% of all municipalities (on average) had at least one representative participate in the regular Peer Exchange seminars, and the group also organized a summit for Canadian municipalities on sustainable procurement this year.

Municipalities also worked towards improving their fleets as emissions reductions continue to be major areas of focus for both the private and public sectors. Many municipalities provided fuel-efficiency training to drivers, and purchased fuel-efficient (including the use of alternative fuel) vehicles to increase their operational efficiency. In addition to fleets, municipal tenders and bids continued to include firm requirements for environmentally-preferable cleaning products and janitorial services; reducing impacts on the environment and enhancing worker health and safety.

Packaging materials was a low-hanging fruit many municipalities targeted this year. Several municipalities committed to re-usable box programs or tote bag systems for their internal and regular shipments to reduce the use of packaging materials such as plastic wrap, styrofoam, and cardboard boxes. By switching to tote bag systems or forming strategic partnerships with suppliers with re-usable box programs, municipalities benefited with lower waste disposal and recycling costs in addition to a reduced environmental footprint.

Section 4: Highlights & Best Practice Case Studies

The City of Edmonton engaged a paper supplier to provide the City with 100% post-consumer recycled (PCR) content paper (i.e. paper that has been used by consumers, diverted from landfills, and reintegrated into paper products). The supplier also provided a detailed report highlighting the reduced environmental footprint of the green paper option.

The City's print contractor was also engaged and provided the City with 100% PCR-content paper, which was used for both in-house and large print jobs. This generated further environmental gains, which amounted to saving over 3.7 kg in CO2 emissions, 2.5 million trees, and more than 9.4 million litres of water.

THE RESULT: By prioritizing copy paper in its sustainable procurement program, the City of Edmonton achieved a significant positive environmental impact.

This year, the **City of Ottawa** worked with its IT department to upgrade their SAP system to automatically flag RFP's that included sustainability specifications within their criteria.

This innovative system facilitated the monitoring and tracking of the City's sustainable procurement program; saving the City both the time and manpower needed to manually measure this key performance indicator.

THE RESULT: The first MCSP member to install an automated measurement system for its program and one of the first MCSP participants to establish and begin measuring a key performance indicator.

Top Categories for Sustainable Procurement

What commodities were municipal buying efforts centred on in 2012?

The Top 3 sustainable purchasing product categories that municipalities reported were:

1. Copy paper and other office supplies
2. Vehicle fleets
3. Janitorial and other cleaning supplies

As part of its Green Fleet Strategic Plan, the **City of Prince George** requested approval from Council in April 2012 for the purchase of a 100% electric vehicle for the City's fleet. City staff recognized and capitalized on a unique opportunity to obtain full external funding from the Community Works Fund, with no capital expenditures required. The Community Works Fund is financed by a portion of federal gas tax funds. This funding opportunity is available to municipalities who can demonstrate that the outcomes of their purchases will focus on environmental initiatives that reduce harmful emissions.

The City's main objective of the initiative was to create a partnership with local industries to promote the operation of this new green technology within the community. Prince George collaborated with Northern Health, University of Northern British Columbia (UNBC), and the Regional District of Fraser-Fort George for the acquisition of the fleet and a cost/use agreement to purchase and operate a new 100% electric vehicle, which included three non-public charging stations. The car is leased to each partner for three months where capital costs were not incurred by any one body.

THE RESULT – The City of Prince George leases a 100% electric car at no additional cost to the municipality.

The **City of Saskatoon** saw considerable success in the development of its RFP for Single-family Residential Recycling this year. This particular RFP was structured to allow proponents the flexibility to innovate and utilize their expertise to maximally match their efficiency with desired outcomes.

These RFPs (Processing/Marketing & Collections) were structured to focus on the achievement of desired outcomes as opposed to the existing common practice. This type of contract emphasizes a more prescriptive approach to the development of the RFP.

THE RESULT – One of the most affordable single-family recycling programs in Canada (\$4.66 a month per home) with clearly outlined sustainability achievements that will be tracked and reported on.

The **City of Vancouver** has established a cross-departmental Steering Committee chaired by the Deputy City Manager. Other members include: the Directors of Supply Chain and Sustainability, the Chief Financial Officer, the Director of Social Policy and staff responsible for implementation.

The Committee meets monthly to establish priorities, review progress, and provide direction on overcoming program challenges and barriers. The senior and cross-departmental nature of the committee ensures that the sustainable and ethical procurement program is strategic and focused on addressing key City priorities.

THE RESULT: The formation of a Steering Committee comprised of senior management and staff sends a clear message that sustainable & ethical purchasing is a priority to the organization while providing an efficient way to address program challenges and barriers.

Collaboration between the Finance and Sustainability Departments at the **City of Victoria** was very successful & productive in 2012. The Sustainability Department engaged a term staff member for four months to support Supply Management in embedding sustainability considerations into the need analysis and business case approach for buying City goods and services.

The effort focused initially on a small number of projects, including inserting sustainability considerations and weightings into RFPs for Janitorial Supplies and Consulting Services. The cross-departmental team also built some internal momentum and staff awareness around the opportunities to embed sustainability into procurement.

THE RESULT: Ongoing inter-departmental collaboration at the City of Victoria significant contributed to the incorporation of sustainability specifications within contracts. Supply Management is now using the results from this initial phase to inform and support the integration of sustainability into other City RFPs.

Section 5: The Forecast for 2013 - A Glimpse at the Year Ahead

Municipalities are one of the biggest buyers of goods and services in Canada and, with spending increasing each year, they have to be increasingly careful about the impacts their purchases can have on the environment and communities. Therefore, it's really encouraging that public procurement is increasingly being tapped as a resource to achieve broader sustainability objectives. With more and more municipalities looking to refine their purchasing practices, they are gaining an increasing capacity to 'signal' the marketplace, boost innovation, and influence the provision of more environmental-friendly and ethically-sourced products. In this way, municipalities are not only assuring that they have a positive impact on the environment and society but are also creating transformational marketplace change nation-wide.

Given the significant benefits of sustainable procurement, it is vital that municipalities continue to work together, strengthening existing relationships and building new synergies, to advance sustainable procurement across Canada.



Top program areas and products identified for 2013

So what does the immediate future of municipal sustainable procurement in Canada look like? Based on the 10 Best Practice Program Elements, municipalities identified 4 top program areas which they will focus on in 2013:

1. **More Robust Measurement and Reporting.** Identifying and selecting several key performance indicators and establishing implementation targets. For a municipality, reporting progress increases transparency and enhances buy-in for their civic programs. The MCSP Steering Committee is investigating the feasibility of setting national indicators so that the state of sustainable procurement can be tracked nationally.
2. **Consistently Applying Tools and Procedures.** Municipalities began to develop their tools and procedures in 2012. Applying these tools and procedures to contracts is a priority in 2013 so that staff can evaluate bids on the basis of their sustainability attributes.
3. **Delivering More Training and Communication.** For buyers and client departments involved in ordering supplies and services, training and communication can ensure that the tools and procedures are well understood and applied correctly. Education and awareness-building for the program as well as reporting success stories to key stakeholders, community members and the general public can also leverage support for sustainable purchasing.
4. **Deepening Collaboration and Scaling Up the MCSP.** Collaboration was a key area of focus for municipalities this year and municipalities should continue to build on the existing relationships they have developed with their municipal partners within the MCSP and internally, within their various departments. They should also strengthen existing relationships with their suppliers and identify new collaborative opportunities for successful and efficient program development.



APPENDIX A: 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 real-world examples from municipalities showcased for each.



Strategy & Action Plan

This means...

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 Sustainability Manager at the **City of Surrey** reaffirmed their strategy to move their program forward and ensure it aligns with and supports the City's goals and priorities.

1



Green Purchasing Policy

This means...

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

Examples

The **City of Ottawa's** policy guideline was endorsed by Executive Management and the **District of Saanich** finalized their policy in late 2012 with Council approval scheduled for early 2013.

2



Supplier Code of Conduct

This means...

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

Examples

The **City of Ottawa's** Supplier Code of Conduct which forms part of its Ethical Purchasing Policy is now incorporated into all of its contracts.

3



Social Sustainability Commitments

This means...

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

Examples

Based on a 2012 consultant report, **City of Vancouver** staff formed an internal working group on local and sustainable food procurement. Current initiatives include introducing local purchase reporting requirements to upcoming food-buying RFPs and measuring the amount of local food purchased at City facilities. In addition, the City has explicitly identified two social enterprises as desirable in two recent RFPs for a public bike share and food scrap compost bins.

4



Dedicated Staffing & Resources

This means...

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 have setup interdepartmental green teams to tackle low-hanging fruit in sustainable purchases for the municipality. The Cities of **Edmonton** and **Prince George** have dedicated full-time employees to oversee the implementation of their programs and the **City of Vancouver** has setup an inter-departmental Steering Committee to guide its program.

5



Tools & Procedures

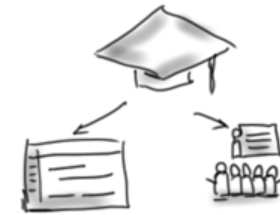
This means...

This performance area includes the development and application of customized procurement tools & procedures, in order to standardize operating procedures and support

Examples

The **City of Vancouver** embedded tools (e.g. Supplier Code of Conduct, Vendor Leadership Questionnaire) and desirable sustainability clauses (incl., reduced packaging and waste, greenhouse gas reductions, and socio-economic sustainability) in the majority of its RFP's over \$75,000. The **City of Saskatoon**, developed specific tools for large tenders (e.g. sustainability criteria for single-family residential recycling).

6



Training & Communication

This means...

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

Examples

Building on sustainable procurement training delivered to its Procurement Department in 2011, the **Regional Municipality of Halifax** rolled out training and strong green procurement messaging to its other departments in 2012. The **City of Grande Prairie** sends a report out to all its departments on its green purchases each year to empower staff and promote behavior change.

7



Supplier Engagement

This means...

8

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

City of Kingston established a bulk buying program for chemicals for its large pool contract, reducing their fuel costs and environmental footprint. The **City of Kelowna** recently took a 'Total Cost of Ownership' approach when procuring a land compactor for which the capital, operating, maintenance and other associated costs were calculated over a 20 year span.



Measurement & Reporting

This means...

9

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

Several municipalities such as the **City of Edmonton** are identifying and developing key performance indicators to measure and track their program's success. The **City of Ottawa** Supply Branch has established a tracking system for sustainability criteria within RFP's.



Leadership & Collaboration

This means...

10

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 Victoria** collaborates with several sustainable procurement groups (e.g. Responsible Purchasing Network, BuySmart). The **City of Prince George** formed an agreement with 3 organizations to procure a 100% electric car (further information on Page 12). The **City of Edmonton** and **District of Saanich** demonstrated leadership in the procurement of recycled copy paper.

APPENDIX B: 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 2 years with a total of 18 municipalities actively participating in the group in 2012. 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.

2012 MCSP Participants

City of Calgary, Andrew Mardon, Manager, Supply Management, Finance and Supply
 City of Edmonton, Dan Lajeunesse, Branch Manager, Materials Management*
 City of Grand Prairie, Bob MacNeil, Purchasing Administrator
 City of Guelph, Bill Stewart, Manager of Procurement and Risk Management Services
 City of Kelowna, Maureen Loft, Manager, Purchasing and Stores
 City of Kingston, Joe Davis, Project Manager, Sustainability and Growth
 City of London, John Freeman, Manager of Purchasing*
 City of Ottawa, Jeff Byrne, Chief Procurement Officer*
 City of Prince George, Scott Bone, Manager, Supply and Fleet Services*
 City of Saskatoon, Brenda Wallace, Manager, Environmental Services
 City of Surrey, Anna Mathewson, Manager, Sustainability
 City of Vancouver, Jim Bornholdt, Director of Supply Chain
 City of Victoria, Glen Oberg, Manager, Supply Management Services*
 City of Whitehorse, Shannon Clohosey, Sustainability Project Manager*
 District of Saanich, Paul Arslan, Senior Manager of Finance
 Halifax Regional Municipality, Anne Feist, Manager of Procurement
 Regional Municipality of Wood Buffalo, Stuart Wright, Senior Buyer
 Township of Olds, Samantha Saretsky, Manager of Strategic Affairs

* MCSP Steering Committee Representative

“The MSCP has provided the City of Surrey with an extensive network of contacts across Canada, and a solid grounding in current best practices in sustainable procurement, which have proven very useful in the early stages of developing our sustainable purchasing program. In particular, the peer conference calls supplemented with one-on-one guidance have allowed me to target specific tasks for 2013 that will lead to practical results within our limited resources.”

– Anna Mathewson,
Sustainability Manager,
City of Surrey.

For more information about the MCSP and how your municipality can get involved contact Tim Reeve at **604.763.6829** or via **tim@reeveconsulting.com**. If you would like to speak to a representative from the MCSP Steering Committee contact Jeff Byrne, Chief Procurement Officer, City of Ottawa: **jeff.byrne@ottawa.ca**