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

2015 Trends & Best Practices

Commissioned by the
Municipal Collaboration for
Sustainable Procurement

Prepared by Reeve Consulting

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MESSAGE FROM THE STEERING COMMITTEE

Why This Report

We are pleased to share the 2015 Annual Report on the State of Municipal Procurement in Canada, the fifth annual report of the Municipal Collaboration for Sustainable Procurement (MCSP) which highlights strategic sustainable supply chain best practices, trends and outlooks for the year ahead based on challenges and lessons shared by municipalities across Canada. The MCSP Annual Report is a 'go-to' resource for municipalities and other agencies that are developing or optimizing sustainable procurement programs, and it is frequently used to identify municipal partners to approach for collaboration opportunities. It also serves as a reference for City Council members and City management staff who use the 2015 National Municipal Snapshot chart (see page 2) to understand how their municipality benchmarks with other cities.

Who We Are

The MCSP is a group of Canadian municipalities who are collaborating via the exchange of resources and technical expertise to advance sustainable procurement. It is the leading sustainable procurement learning and capacity building network for municipalities in Canada. This year, we'd like to give special acknowledgement to Jeff Byrne (Chief Procurement Officer, City of Ottawa) for his vision and leadership in helping to create and nourish the MCSP over the last five years.

How the Report is Organized

The information in this report was gathered through interviews with MCSP members and through a series of peer exchange teleconferences that promote group collaboration.

What you'll find in this report:

1. The first section, **Municipal Sustainable Procurement in 2015,** presents the current state of municipal sustainable procurement in Canada as reflected in the **2015 National Snapshot.** Here you'll find key trends as self-reported by MCSP members.
2. This is followed by **2015 Challenges and Strategies**, examining the barriers municipalities have faced in advancing their sustainable purchasing program, and the strategies they have used to overcome them.
3. Next, we move to **A Glimpse Ahead – An Outlook for 2016,** where we discuss emerging trends.
4. Finally, the report's **Appendices** provide **Case Studies** showcasing innovative best practices from Canadian municipalities, and other engaging content to **improve your knowledge and understanding of sustainable procurement**, including the MCSP Best Practice Framework for Sustainable Procurement.

We closed 2015 with Canadian governments at every level renewing emphasis on sustainability, while the world came together for COP21 in Paris and formed a bolder climate accord. We believe that it is timelier than ever for municipalities to leverage the benefits of sustainable procurement practices, and we are hopeful that through the continual updating of municipal sustainable procurement trends and best practices data, we are supporting the socially responsible and 'greener' circular economies.

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 and happy reading!

2015 MCSP Steering Committee

Jeff Byrne, City of Ottawa	Rachael Carroll, City of Vancouver	Dan Lajeunesse, City of Edmonton
Maureen Loft, City of Kelowna	Linda Rauckman, City of Saskatoon	Natalie Young, City of Calgary

1. MUNICIPAL SUSTAINABLE PROCUREMENT IN 2015

Sustainable procurement is far more than buying 'green' products or avoiding labour abuses in the supply chain. It is a catalyst for advancing multiple organizational priorities related to innovation, eco-efficiency, risk mitigation and employee engagement. Research suggests that a large portion of organizations' sustainability impacts occur throughout the supply chain. For example, in many industries, the supply chain accounts for more than 75% of their total greenhouse gas emissions.[1] Municipalities are increasingly aware that they must be vigilant to ensure that they are not over-emphasizing up-front cost reduction at the expense of other important sustainability priorities. Often, it is a challenge to communicate this message to decision makers across the organization.

In 2015, there was even more effort at moving beyond buying 'green' to incorporate social considerations into municipal procurement to promote the benefits that come from Fair Trade, working with social enterprises, or contracting with Aboriginal suppliers. There was significant interest in learning what can be feasibly done (within trade agreement allowances) to drive local economic development through local purchasing. However, interest in impacting social or labour conditions within international supply chain settings, for example by developing and implementing a Supplier Code of Conduct, continues to be a major challenge.

Our annual **National Municipal Snapshot** (see chart on next page), is based on self-reported information from MCSP participants. Many municipalities found that, while they were certainly trying to do more work around sustainable procurement, progress was slow. However, there were a couple of areas of exception, most notably the development of tools and resources, and increased collaborative work.

Key takeaways from the National Municipal Snapshot are:

- Over the past year, **progress has been incremental**. However, municipal actors continue to be committed to the process, understanding that a great deal of sustainable purchasing work can continue to be accomplished, even when programmatic underpinnings are less developed.

- Most municipalities continue to find **securing dedicated staffing and resources to be a major challenge**, with no municipalities reporting any significant progress in this area. Without dedicated resourcing, sustainable purchasing often falls to other competing priorities.

- Although only a few municipalities moved the dial on the development of new procurement tools and resources, several experienced municipalities undertook the task of **revamping, improving, and adding to the complement of tools and resources** that they use within the competitive bid and tendering process.

- Several municipalities noted improvement in their **leadership and collaboration** activities, in particular bi-lateral collaboration between MCSP members and other municipalities, in order to share resources, lessons, and tools for help with maximizing impact.

[1] United States Environmental Protection Agency. (2010, December). Managing Supply Chain Greenhouse Gas Emissions. Retrieved from https://www.epa.gov/sites/production/files/2015-07/documents/managing_supplychain_ghg.pdf

2015 National Municipal Progress 'Snapshot'

The table below provides a self-reported 'snapshot' of the progress of the MCSP's municipal partners on their sustainable procurement programs to the end of 2015. 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 C for complete descriptions).

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
Calgary	◕	◖	◕	◕	●	◕	◖	◖	◖	◕
Edmonton	●	●	●	●	●	●	◕	◖	◖	●
Grand Prairie	◕	◕	○	◢	◖	◕	◕	◕	◕	◕
Guelph	◖	◖	○	◖	○	◖	◖	○	○	◖
Kelowna	◢	●	○	◢	◢	◢	◢	◢	◢	◖
Ottawa	◕	●	●	◕	◖	●	●	◖	●	◕
Saanich	◖	◖	○	◖	◖	◖	◖	◖	◖	◖
Saskatoon	◖	◢	○	◢	◢	○	○	◢	◖	◖
Surrey	◖	◖	○	◖	◢	◖	◢	◖	◢	◖
Vancouver	●	●	●	●	●	●	◕	◕	◕	●
Victoria	◖	◖	○	◖	○	◖	◢	◖	◖	◖

○ Just beginning or future priority ◢ Some progress made ◖ In progress with room for improvement ◕ In place; Fairly well developed ● Well developed with solid experience

What's New: Key Trends in Sustainable Procurement

Shifting From "Good Enough" to "Better All the Time"

The development of the global marketplace for sustainable products and services, worldwide recognition of the importance of protecting the Earth and its inhabitants, and gains in experience with sustainable purchasing have contributed to municipalities demanding more of their suppliers. This past year has been characterized by a shift from "screening out" suppliers that are deemed to be poor sustainability performers, to "screening in" suppliers that deliver sustainability leadership, along with great products and services at competitive prices. Municipalities continue to work with existing vendors to collaboratively improve sustainability benefits of the products or services that are being delivered; highlighting a trend to think of sustainable procurement as more than just embedding clauses or questionnaires into bid documents and instead looking for innovation opportunities over the life of a vendor's contract.

From Global Social Conscience to Our Own Backyards

The focus on ethical purchasing to avoid labour and human rights abuses around the globe appears to have diminished since the the flourish that occurred in the wake of the 2013 Rana Plaza disaster in Bangladesh. Few municipalities made the development and implementation of a Supplier Code of Conduct a top priority in 2015. On the other hand, we can take encouragement from seeing an emerging emphasis on local and social purchasing to drive economic development within municipalities' own communities. More municipalities focused on social and diversity purchasing, including Aboriginal purchasing, social enterprises, and minority suppliers, and purchasing from local suppliers where possible under trade agreements.

Building Up the Toolkit

Municipalities spent significant time investing in building and enhancing their sustainable purchasing tools and procedures in 2015. For municipalities in the earlier stages of their program evolution, this meant creating and starting to use new tools and procedures within the bid process; for sustainable purchasing leaders, this meant updating and overhauling their toolkits to collect more relevant and useful information from suppliers, and to support working internally with clients to identify key sustainability risks and opportunities during the pre-procurement process.

Working at the Grassroots while Cultivating Support at the Top

Across the board, procurement and sustainability professionals want to make sustainable purchasing work even better, but express concern about the lack of commitment (or possibly interest) from City officials. They are not hearing an expressed 'call' for more sustainable purchasing. Sustainability champions understand that sustainable purchasing leads to economic, environmental, social, and governance benefits for their municipalities; however, too much of their work is still spent trying to ensure that this recognition is shared across the organization. In the meantime, they continue to incorporate sustainability into their purchasing activities, often leveraging the support of their counterparts at other municipalities to get the job done.

2. CHALLENGES AND STRATEGIES

Key Challenges Facing Sustainable Procurement Programs

In 2015, municipalities made incremental progress in sustainable purchasing, but they continued to face challenges in delivering their programs to the extent they would have desired. Many report that their programs have significant potential to grow and be more impactful. Support from the top is critical.

Working Under Resource Constraints

As in past years, municipalities continue to face constraints in budget and time as they work to move their sustainable purchasing programs forward. Many municipalities reported delivering their programs off the side of their desks, while competing priorities often took precedent. Even where human resources had been officially dedicated to sustainable purchasing activities, several municipalities reported that in practice, other activities were often prioritized, leaving little time to tackle sustainable purchasing to the desired depth. In other cases, significant staff turnover and reshuffling made it challenging to maintain program momentum.

Looking for License & Direction

Many municipalities reported challenges due to lack of top-down directives to focus on sustainable purchasing, or, in some cases, unclear or shifting priorities. In many cases, City Councils seem to see purchasing as a minor activity, and therefore are not specifically directing the organization to focus attention on sustainable purchasing activities. On the other hand, Councils often do want the benefits that can come from sustainable purchasing (i.e., cost reductions, eco-efficiencies, economic development, risk mitigation, talent retention, innovation, etc.). This leaves municipal purchasing departments with the possible opportunity to articulate the business case to their City management, and potentially gain buy-in for sustainable procurement. The conversation needs to be reframed from 'process' to 'benefits'.

For an example of a municipality tackling this challenge, see "Planning for Success at the City of Vancouver" in Appendix A

Spreading Knowledge & Awareness

Some municipalities made progress with staff training and engagement, however, a significant number continue to find internal change management to be a main barrier to the advancement of their programs. Sustainable procurement actors endeavour to make sustainable procurement a default activity within their organizations, rather than it being seen as an additional activity; however, in order to actualize this systemic cultural change, they realize that on-going training and communications are necessary, and there are often resource constraints on the ability to carry that out. Fortunately, the advancement of blended learning solutions, that complement in-person training with eLearning and webinars, may allow municipalities to do more training with fewer resources in the coming years.

For an example of a municipality tackling this challenge, see "Tools & Training for Staff Engagement at the City of Edmonton" in Appendix A

Measuring & Communicating Success

Municipalities cite tracking and reporting as amongst the most challenging pieces of their sustainable purchasing programs. This is for two reasons: one is the challenge of finding the required resources to undertake measurement and reporting activities, but challenges also arise in finding meaningful and measurable metrics to calculate eco-efficiencies and savings. However, municipalities are finding that incorporating sustainability measurement into existing procurement reporting, as well as digitizing and centralizing this reporting as much as possible to facilitate data collection and aggregation, are strategies that will help them overcome this barrier.

For an example of a municipality measuring impact, see "Innovative Car Sharing Practices and Electric Vehicle Procurement at the City of Surrey" in Appendix A

Getting the Job Done: Key Strategies Used to Overcome Barriers

Municipalities worked in a variety of ways to overcome the challenges presented on the previous page. However, a main theme of collaborative work encompassed many of the strategies that were used.

3. A GLIMPSE AHEAD – THE OUTLOOK FOR 2016

Where is the Work Being Done? Top Program Development Areas for 2016

Despite facing challenges, municipalities continue to advance the sustainable purchasing agenda, whether that is as part of a larger program, or at the grassroots level. Many of those that are at an earlier stage of their program are focusing first on codifying sustainable purchasing into their city documents, in order to obtain official license to move their program forward.

Leaders in sustainable purchasing now wish to move beyond the low hanging fruit, and implement sustainable purchasing at a deeper level, including further development of their tools and procedures, deeper education of employees and integration of sustainable purchasing into the organizational culture, and more effective tracking and reporting of results.

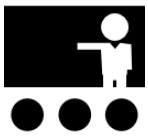
These are the top program development areas that will be the focus in 2016

Official Prioritization

In order to obtain official license to move forward with their programs, a number of municipalities will focus in 2016 on including sustainable purchasing in their Policy, Bylaw, or Charter documents, or updating these documents. This can be done either through the creation of separate policy documents or by the addition of specific language to existing documents.

Toolkit Development

For many, the focus in 2016 will be wider and more consistent implementation of sustainable purchasing principles. To assist employees in this process, municipalities will focus on creating tools such as green purchasing guidelines, product category factsheets or specifications, a Supplier Code of Conduct, and others.



Training, Education & Change Management

Municipalities aim to make sustainable purchasing the default way to buy. They will accomplish this by training and communicating with key internal audiences, including purchasing professionals, client departments, and administrative staff.

Measurement & Reporting

Municipalities know that tracking results and telling their stories are key to quantifying the benefits and obtaining buy-in for their programs. In 2016, they endeavour to do more to find and collect the correct metrics, and use this data to communicate the effects of their work.

Key Product and Service Categories for 2016

Municipalities continue to cite many of the same product and service categories as important. However, for the coming year, there are some shifting trends. Municipalities will focus more extensively on categories that have high impact, either in dollar expenditure, or environmental terms. For example, they will focus on infrastructure projects and vehicle purchases to support targets around energy use and GHG emission reduction, or address waste diversion in large construction and deconstruction projects. There is also a noticeable shift to looking at service contracts as opportunities to create social development opportunities.

Important product and service categories for municipalities in 2016 include:

Appendix A: 2015 Highlights & Best Practice Case Studies

Despite various challenges, municipal actors across Canada continue to push forward with their sustainable purchasing programs, and will continue to do so in 2016. Their strong efforts have been yielding impressive results. The stories below recount some of these successes from 2015.

Collaborative Procurement: Joint RFP for Electric Vehicle Procurement at the District of Saanich and the City of Victoria

The District of Saanich and the City of Victoria collaborated on a joint RFP to replace some standard mid-sized gasoline vehicles or hybrid vehicles in their respective fleets with electric vehicles (EVs). This was a one time purchase with a joint value across the two municipalities of $384,540 in 2015, with an option for additional cars if needed. The District of Saanich is likely to spend an estimated additional $400,000 in future years up to 2019.

While agreement on the wording in the RFP took additional time, it was a worthwhile process. The collaboration between the two municipalities was an important factor in the eventual success of the procurement. Both the District and the City have established sustainability specialists within their organizations to assist in developing the business case and support the transition to EVs. In addition, earlier purchases of electric vehicles by Saanich acted as a pilot that assisted both municipalities in committing to a larger purchase.

The Outcome

The acquisition of electric vehicles (EVs) has reduced fuel consumption and carbon emissions for the District of Saanich and the City of Victoria.

Other municipalities also have the opportunity to benefit from this RFP, as a "me too" clause was included. The District of North Cowichan took advantage of this opportunity to purchase their first EV.

De-branding and Recycling Staff Apparel at the City of Surrey

Last summer, Community and Recreation Services at the City of Surrey launched an exciting new program to take responsibility for all the staff uniforms and apparel that are no longer worn on the job.

A local company, "De-brand," has a unique service that removes the Surrey brand from apparel, allowing the product to be reused or recycled. Well-kept items are donated back to community groups that are in need of clothing, and items that are not in good enough shape are put towards products that use recycled fabric. This allows processed fibres to be reused in new products, keeping textile waste out of the landfill or incinerator.

The Outcome

The contract with De-brand minimizes environmental impact through reduced waste and efficient use of resources; provides clothes to people in need; and supports Surrey's local economy by employing a small business in the region – a win-win-win for the environment, Surrey's corporate social responsibility, and the local economy.

Tools & Training for Staff Engagement at the City of Edmonton

In 2015, the City of Edmonton invested in engaging their Administrative and Communications staff in sustainable purchasing.

The Procurement department created and rolled out the Sustainable Catering Guide, to help administrative staff make more sustainable catering choices. To create the guide, Procurement surveyed 80-90 catering companies on all manners of sustainability concerns, receiving 55 responses. The guide was created with green leaves for each category in which the companies had some sustainability practices. It also included a checklist for after the company was chosen, to help staff to order more sustainable options from the menu.

In January, Procurement partnered with the Communications department to hold an all-day Admin drop-in session for Corporate services, which included a booth dedicated to sustainable purchasing and was attended by about 400 admin staff members. The Sustainable Catering Guide was rolled out at this session, and therefore was presented in a direct way to the staff who would make use of it.

Later in 2015, another educational session was held for Communications staff at the City of Edmonton, featuring the City's digital print centre services. This session also included a sustainable purchasing booth and a Staples sustainable office products booth, and was attended by about 100 staff members.

The Outcome

There has been very positive feedback on the Sustainable Catering Guide and it is used a lot by Admin staff.

The educational sessions were also very helpful for staff to ensure they were provided with updated sustainability information. Each booth incorporated various aspects of sustainability to help with practical, day-to-day considerations that were meaningful for the staff in attendance.

Planning for Success at the City of Vancouver

In 2014 the Supply Chain Management (SCM) group developed a one-page 2015 Action Plan that outlined the major Sustainable and Ethical Procurement (SEP) related activities for the year and an estimate of resource requirements linked to the City's strategic priorities. In 2015, the SCM team developed a more detailed plan identifying ongoing, new and proposed initiatives for the SEP program. The 2016 plan identifies activities, expected outcomes, key steps, resource requirements, and links to the City's strategic priorities (e.g., Greenest City, Green Operations, and Healthy City). While the former plan identified SEP related projects and initiatives that the Supply Chain group itself was responsible for delivering on, the 2016 plan identifies all of the ongoing and new initiatives including those that require leadership, buy-in, and support from other key business units.

The Outcome

While still in draft, the plan is providing the impetus for a review of priorities and an assessment of resource needs. It serves to highlight the range and breadth of SEP-related opportunities and commitments at both an operational and strategic level. An ongoing challenge is the fact that SCM cannot deliver the plan in isolation - delivering the projected outcomes requires support and resources from across the organization. However, the action plan will allow for cross-departmental consultation and engagement to address resource needs and set priorities.

Identifying the range and breadth of projects and initiatives that fall under SEP and linking ongoing and new initiatives to the organization's strategic priorities helps to create support for dedicated resources and ensures that the City is delivering on Council and Corporate Management Team directives regarding SEP outcomes.

Innovative Car Sharing Practices and Electric Vehicle Procurement at the City of Surrey

One of the ways in which the City of Surrey worked to carry out sustainability directives in 2015 was by overhauling its fleet and fleet operations of City passenger vehicles. This project was planned and rolled out by the Engineering Operations Division with support from the City's Human Resources and Purchasing departments.

Phase 1 of the project began with research into the range of electric vehicle (EV) usage that would allow for positive financial return on investment, as well as low operational risk of running out of charge. The City then began their pilot program by rolling out five EVs (Nissan Leafs) and tracked usage in order to ensure that it was falling within the ideal range. To decrease the up-front costs, Surrey also initially elected to lease 4 of the 5 electric vehicles, rather than purchase them, which qualified the City to receive up to $75,000 in program funding under the Green Municipal Fund, a granting pool offered by the Federation of Canadian Municipalities. The Purchasing department supported Operations with the Request for Quotation (RFQ) process for the lease of the initial 4 vehicles.

To optimize fleet operations, Surrey partnered with Modo Car Co-op (a local car-sharing service) to streamline their Carshare Program. The City has access to Modo's online booking system to maximize usage of the City's five EVs. Modo also added six of their own vehicles located within walking distance of City Hall (the City provided designated parking in exchange), which can be used in the event that Surrey's own vehicles are all in use. These Modo cars are not City-only vehicles, but usage patterns work well for City employees (mostly daytime) vs. Modo members (mostly non-working hours). For these vehicles, Surrey only pays for the user cost, so it is an especially cost-effective program.

The Outcome

The City of Surrey's innovative car-sharing practices allowed them to downsize their municipal fleet from 12 conventional gasoline vehicles with low annual usage, to 5 electric vehicles (EVs) with high annual usage. The use of the EVs is falling in the kilometer range that allows for positive return on investment and low operational risk. According to analysis during the pilot phase, these changes afford them fuel savings of $100/EV/month (about $6000 annually) and CO2 savings of 230kg/EV/month, as compared to gasoline-powered vehicles. Staff are very supportive of the technology, and there have been no challenges with electric charge running out. Due to this successful pilot, the City plans to buy out the four vehicles that were originally leased.

In addition, the partnership that the City forged with Modo through this procurement has enabled the growth and development of another sustainable mode of transportation for the local community.

Phase 2, which is currently underway, includes living up to the City's commitment to the West Coast Electric Fleets Pledge, which means they will have to double their EV fleet. They are also expanding their EV Carshare program at a new City of Surrey Operations Centre and are testing other existing vehicles nearing end of life for EV suitability assessment.

Sharpening Sustainable Purchasing Tools: Major Review & Revamp of the City of Calgary's Vendor Leadership Questionnaire

The City of Calgary's Sustainable Environmental and Ethical Procurement Policy (SEEPP) program includes the use of a Vendor Leadership Questionnaire to solicit information on the sustainability leadership demonstrated by prospective vendors. Until this year, the Vendor Leadership questionnaire, first rolled out in 2009, was a standard questionnaire in Word format comprised mostly of checkbox answers with no verification of answers requested. There was concern that some questions may not be relevant to certain categories, or to both services and products, a desire to update the questions to reflect advances in the sustainability marketplace, and concern over the lack of ability to verify answers.

In 2015, the SEEPP Coordinator and Sustainable Purchasing Committee, comprised of supply and environmental staff and other City subject matter experts, undertook an in-depth review and revamp of the questionnaire. The process included:

- A review of the current questions;
- Assessment of the need for customized questionnaires for different contract types and commodities;
- Best practice research on questionnaires used by other municipalities (e.g., Cities of Vancouver and Edmonton) and by the private sector;
- Proposal of new questions for SEEPP Committee review as a blend with some questions from the original questionnaire; and
- Ensuring that the questions aligned with City of Calgary practices and values

Some challenges were faced during the process, in particular: the complexity of the sustainability topics covered by the questionnaire made it difficult for subject matter experts to advise on some topics and, keeping forward momentum on the project due to committee member time constraints. However, several success factors allowed the project to come together: collaboration between subject matter experts, taking learning from the past questionnaires and other organizations in order to not duplicate efforts, and carefully considering the audience for the questionnaire, so that it is designed to be be fair, reasonable, and user-friendly, but also send a signal to the marketplace that Calgary is looking for leadership in sustainability practices from their vendors.

The Outcome

The end result of the process was the creation of a revamped questionnaire in the form of a fillable electronic form, increasing the ease of distribution and the tracking of results. Several key changes were made to the original questionnaire, including, increasing the emphasis on environmental impacts of vendors; requiring mandatory evidence for most affirmative responses (e.g., copy of policy, expiry date of management system registration, etc.); increasing the number of open-ended questions to gather more meaningful vendor information; focusing on targets (i.e. GHGs and Waste reduction); and making the ethical/supply chain questions more accessible for smaller business responses.

They determined that a standard SEEPP questionnaire could be used as a default for most SEEPP contracts, with a second priority being an "advanced version" of the questionnaire for more mature markets or for those with higher ethical/environmental risk. Calgary is launching the updated SEEPP questionnaire with new contracts as of January 2016.

A More Sustainable Office Supplies Contract at the City of Edmonton

In 2015, Edmonton went to market for a new office supplies contract, and used this opportunity to put sustainable purchasing practices to work. When the RFP was created, sustainability criteria were crafted and included in the document. Staples was the new successful vendor to be selected, and they offered strong sustainability performance commitments.

With the roll out of the new vendor's ordering system at the City, the Procurement department also issued a guide to help staff with choosing the most sustainable options from within Staples' product offering.

The Outcome

The switch to Staples has offered a number of sustainability benefits. Staples has a box reuse program for decreasing delivery packaging waste. Their recycling program (through TerraCycle) accepts office supplies and packaging at end-of-life, even for things not purchased from Staples. In addition, when administrative staff are doing online ordering, there is always an environmentally friendly alternative that automatically pops up for a given product selection.

The City of Edmonton continues to work closely with Staples, to ensure that they are constantly improving and helping to educate staff. The City has been very happy with the service and continued improvement so far.

Updated Sustainable and Ethical Procurement (SEP) Tools & Training at the City of Vancouver

In 2015, the Vancouver rolled out new and updated SEP tools for RFP bids and held staff training sessions to ensure team members across Supply Chain Management (SCM) were confident and comfortable with using the tools correctly.

From 2011 to 2014, all of the City's RFPs of $75,000 and over were to include a vendor leadership questionnaire and a table of six generic sustainability-related requirements. In practice, the leadership questionnaire was inconsistently inserted into RFP documents and when inserted, did not elicit the type of information needed to assess a vendor's sustainability practices. The table of requirements was always inserted, even if the requirements were not relevant to the procurement. Vendor responses to the table were often unrelated to the particular goods or services, focusing instead on their own corporate practices. In 2015, the SEP tools and procedures were revised by SCM in consultation with supply chain staff including Category Managers, the Sustainability Group, Social Policy staff, as well as the City's Vehicle and Fleet Manager, Zero Waste Coordinator and Facilities Energy Manager. The updated tools are comprised of a new vendor sustainability leadership questionnaire and new sustainability-related goods or services specific requirements for bids over $500,000, and for those of $75,000 to $500,000. The RFP template was revised to include clearer instructions on what to insert.

Multiple one-hour staff training sessions were held in December 2014, June 2015 and November 2015 to support the new processes and tools. All SCM staff (Buyers, Contract Specialists, Category and Contract Managers) were trained and re-trained in the new tools and processes. The training sessions were tailored to the needs of each specific group within SCM (i.e. those handling larger versus smaller procurements), to ensure that each group received the most relevant information for their needs.

The Outcome

The revised tools have been a success at the City. There were a number of staff who had experience with the initial set of tools, which gave them the knowledge they needed to participate effectively in the revision and finalization process. The wider participation of Category Managers encouraged buy-in across the department.

The staff training sessions were also a success, assisting with consistent and uniform application of the tools. The sessions were attended by SCM Managers, which sent a signal that the tools were important, and the design of the training – with an initial session and subsequent follow up sessions – was valuable in reinforcing new practices and identifying implementation challenges as they arose.

Appendix B: THE MCSP'S WORKING DEFINITION OF SUSTAINABLE PROCUREMENT

What does sustainable procurement mean to municipalities? Sustainable procurement is both the art and the science of taking sustainability attributes into account when choosing goods and services for purchasing. The art is in creating a process by which municipalities consider 'best value' and 'total' costs in their procurements. In other words, a process is created 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.

What do we mean by "sustainability attributes"? The MCSP working definition of sustainable procurement breaks down sustainable procurement into three sustainability sub-categories that provide a deeper understanding of the scope of influence that sustainable procurement has within the marketplace. Our definition is intentionally broad to capture the range of different types of sustainable procurement practices, namely:

Green or Environmentally Preferable Procurement. Procurement that takes into account environmental attributes of a product or service with the goal of mitigating environmental impacts such as packaging, greenhouse gas emissions, toxicity, energy consumption, waste generation, excessive resource use, etc.

Ethical Procurement. Purchasing products and services 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 that is intentionally directed toward promoting health and safety, local economic development, minority groups, social enterprises, Living Wage, local food, Fairtrade or other measures that improve the health and well-being of individuals and communities.

Appendix C: MCSP Best Practice Framework for Sustainable Procurement

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 2015 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 Vancouver** has created a Sustainable and Ethical Procurement (SEP) Action Plan – a document covering key SEP projects, accountability, time frames, and links to strategic priorities for the SEP Program. This process helps the City to map out all initiatives, identify resource needs and decide what can feasibly be accomplished in the next 2-3 years. (See Appendix A for more details).

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 **District of Saanich** updated their Purchasing Policy in 2015 to include language mandating sustainable purchasing. The administrative policy now directs staff to select suppliers based on "whole-life cost" and to "acquire goods and services and meet current needs without compromising the needs of future generations."

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

In 2015, the **City of Calgary** added clauses to all of their RFP documents to specifically reference their Supplier Code of Conduct, so that it would be consistently considered as an important part of the bid solicitation process.

Social Sustainability Commitments

4

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 Guelph** worked with Fair Trade Guelph, a branch of the Canadian Fair Trade Network to attain Fair Trade City status. This includes political support for Fair Trade initiatives, public education and community promotion, and the procurement of Fairtrade certified products for use in public buildings, workplaces, restaurants, and stores.

Dedicated Staffing & Resources

5

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

This year, the **City of Saskatoon** added another full time employee to their Purchasing department, reallocated from a different department. Additional human resources will allow more focus on the advancement of sustainable purchasing at the City.

Tools & Procedures

6

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** built and updated their sustainable procurement toolkit in 2015. They have updated their Sustainability Leadership Questionnaire, developed sustainability clauses for use in creating RFPs, created checklists and information sheets for various product categories, included sustainability tracking in their Buyer's Reports, and have a Sustainable Purchasing Guidelines checklist.

Training & Communication

7

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 Vancouver** ran two training sessions for each of the teams in their Supply Chain department to educate them on how to effectively use the updated set of sustainable procurement tools that have been developed at the City. This ensured initial familiarity within the staff, assisting with better uptake of the tools.

Supplier Engagement

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

The **City of Surrey** has made an effort to engage with suppliers on an on-going basis. All suppliers are required to report data on carbon emissions to the City, and Surrey encourages them to sign on to the Climate Smart initiative. In 2015 Surrey also worked closely with a local coffee roaster, their office supplies vendor, alternative fibre paper companies, and an apparel recycling company (see Appendix A for more details).

Measurement & Reporting

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

The **City of Ottawa** tracks their sustainable purchasing activities and reports to Council two times per year. The reports include figures on dollar expenditure and percentage of contracts that strongly considered sustainability, including aspects such as local purchasing activities.

Leadership & Collaboration

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

All members of the **MCSP** have been active participants in sharing tools, resources, and methods with one another to increase the impacts of sustainable purchasing. **The City of Victoria** and **District of Saanich** collaborated on a joint RFP for sustainable vehicles (see Appendix A for more details).

Appendix D: About 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. Since its launch in 2010, MCSP has been a key player in facilitating the advancement of sustainable procurement across Canadian municipalities.

Municipalities in Canada are increasingly taking sustainability into consideration when making procurement decisions. They recognize that buying sustainably reduces costs, providing opportunities for more efficient use of materials, resources and energy; helps improve the health of employees; transforms markets towards creating more green products and services; and helps them achieve their sustainability targets.

In 2015, twelve municipalities actively participated in MCSP in 2015, representing excellent retention from 2014. We expanded the Steering Committee to include representatives from six municipalities, and introduced the MCSP Resource Centre – an online repository where members share and benefit from tools and resources to help them advance their sustainable procurement programs in a practical way. We made presentations and facilitated sessions at the Sustainable Purchasing Leadership Council's Summit and the Federation for Canadian Municipalities' Sustainable Communities Conference, and hosted seven interactive webinars on topics ranging from Vehicles and Fleets, to Social Procurement. These webinars drew a record number of guests and contributors from Canada and the US. Municipalities are typically represented on the MCSP by their Directors of Supply Management, Procurement Managers or Senior Environment/Sustainability Managers – all of whom take part 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.

2015 MCSP Participants

City of Calgary, Natalie Young, Corporate Environmental Specialist and SEEPP Coordinator*

City of Edmonton, Dan Lajeunesse, Branch Manager, Corporate Procurement and Supply Services*

City of Grand Prairie, Bob MacNeill, Purchasing Administrator

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

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

City of Ottawa, Jeff Byrne, Chief Procurement Officer*

City of Richmond, Julia Turick, Buyer II, Purchasing

City of Saskatoon, Linda Rauckman, Manager, Materials Management*

City of Surrey, Anna Mathewson, Manager, Sustainability

City of Vancouver, Rachael Carroll, Category Manager, Supply Chain Management*

City of Victoria, Leah Hamilton, Buyer, Supply Management

District of Saanich, Lorraine Kuzyk, Manager, Purchasing Services

* MCSP Steering Committee Representative

MCSP Coordination Office and Contact

Reeve Consulting, experts in sustainable purchasing, facilitates the MCSP'S discussions and training sessions, and provides project management and coordination services to the collaboration. For more information about the MCSP project, contact:

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