

**ENVIRONMENT COMMITTEE**

*HIS WORSHIP, THE MAYOR  
AND COUNCILLORS*

**SUBJECT: SUSTAINABLE PURCHASING GUIDELINES AND INITIATIVES**

**RECOMMENDATIONS:**

1. THAT Council endorse the proposed Sustainable Purchasing Guidelines and Initiatives, as outlined in this report;
2. THAT Council authorize staff to proceed with the implementation of the proposed guidelines and initiatives with the assistance of a City "Green Team", as outlined in this report.

**REPORT**

The Environment Committee, at its meeting held on 2008 October 16, received and adopted the *attached* report providing information about initiatives undertaken by the Purchasing Department and to seek Council endorsement of the proposed Sustainable Purchasing Guidelines and Initiatives.

The proposed approach will provide for greater stewardship by City staff to ensure that purchasing decisions achieve benefits for the City in reducing environmental impacts, encouraging social improvement, and leveraging fiscal responsibility. In addition, plans would include the furtherance of a comprehensive communication plan for education, training and a documented information guide outlining specifics of the Sustainable Purchasing Guidelines for City Staff.

Copied to:	City Manager Director Planning & Building Director Finance Director Engineering Director Parks, Recreation and Cultural Services Fire Chief Chief Librarian OIC, RCMP
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To: His Worship, the Mayor and Councillors  
From: Environment Committee  
Re: Sustainable Purchasing Guidelines and Initiatives  
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The Committee recommends that Council endorse the proposed Sustainable Purchasing Guidelines and Initiatives with the assistance of a City “Green Team” that includes participants from all purchasing groups within the City to incorporate sustainability as a consideration into their purchasing decisions.

Respectfully submitted,

Councillor D. Johnston  
Chair

Councillor P. Calendino  
Vice Chair

Councillor L. Rankin  
Member

**TO:** CHAIR AND MEMBERS ENVIRONMENT COMMITTEE **DATE:** 2008 October 08

**FROM:** DIRECTOR FINANCE

**SUBJECT:** SUSTAINABLE PURCHASING GUIDELINES AND INITIATIVES

**PURPOSE:** To inform the Committee of those initiatives undertaken by the Purchasing Department and to seek Council endorsement of the proposed Sustainable Purchasing Guidelines and Initiatives.

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**RECOMMENDATIONS:**

1. **THAT** the Committee recommend that Council:
  - a. endorse the proposed Sustainable Purchasing Guidelines and initiatives, as outlined in this report.
  - b. authorize staff to proceed with the implementation of the proposed guidelines and initiatives with the assistance of a City “Green Team”, as outlined in this report.

**REPORT****1.0 INTRODUCTION**

At its meeting of 2008 March 11, the Environment Committee of Council requested that staff prepare a report on green purchasing practices and guidelines for the City. The Committee also suggested that staff include short term and long term goals that review the City’s current initiatives that we execute well, and examine those areas upon which we could focus our energies and resources to advance sustainable purchasing in the City.

The intent of the Committee’s direction to establish Sustainable Purchasing Guidelines is to ensure that purchasing decisions achieve benefits for the City in reducing environmental impacts, encouraging social improvement, and leveraging fiscal responsibility.

In response to the Committee’s request, this report provides the Committee with initiatives already undertaken by the Purchasing Department, and seeks

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endorsement of the proposed Sustainable Purchasing Guidelines and for advancement of specific initiatives with the guidance of a City “Green Team”.

## 2.0 SUSTAINABLE PURCHASING OBJECTIVES

The objectives of sustainable purchasing guidelines are to ensure that the products and services purchased by the City result in the lowest environmental impacts, deliver the greatest positive social benefits, and are fiscally responsible from a short, medium and long term perspective. The overarching intent is to help the City use its purchasing decisions to achieve the principles of sustainability.

The decision making process and considerations for sustainable purchasing can be complex and often result in the need to exercise considerable judgment to balance competing priorities in terms of environmental, social and economic benefits of each purchase. At the same time, sound decisions can achieve benefits for the City in terms of:

- **Environmental Benefits** – where specific products result in a direct benefit to the environment through use of non-toxic products, reduction of wastes or emissions to the environment, re-use of waste materials through reusable or recyclable products, or use of material with recycled content.
- **Social Benefits** – where products purchased contribute to social improvement and promote human health and well-being.
- **Financial Savings** – whereby the purchase of energy, water and resource efficient products, services and building can result in reduced costs over the lifecycle of the product.
- **Mutual Benefits** – where the demand and purchase of environmentally and socially beneficial products result in corresponding improvements and environmental innovation by suppliers and other businesses in the supply chain to produce and secure beneficial products and services.

Further, a diverse range of staff are involved in purchasing decisions across the organization with specific needs and requirements that need to be taken into consideration, including but not limited to timelines for delivery, product performance and reliability, user training and acceptance, funds and supply availability, competing priorities, and knowledge of alternatives and benefits.

As such, it is within this context that Sustainable Purchasing Guidelines and initiatives are able to provide guidance and direction for all purchases with the goal of producing better outcomes and positive impacts for the environmental, social and economic aspects of the City.

### **3.0 CURRENT SUSTAINABILITY PURCHASING PRACTICES**

The City of Burnaby has long enjoyed a favourable reputation for its environmentally responsible procurement initiatives. Throughout the years, the guiding principles outlined in the State of the Environment Report (SOER) have continued to frame the City's practices with respect to the research, evaluation and procurement of environmentally responsible products. Many of the initiatives have been referenced in previous reports to the Environment Committee, the most recent dated March 2007. Notwithstanding that many of these initiatives were not necessarily labelled as "sustainable" initiatives at the time, they nonetheless embodied the very principles that are now routinely associated with sustainability.

The following lists a number of sustainable purchasing practices and initiatives put forth over the past several years that are representative of the foundation of this approach that are now well entrenched within the City.

- Introducing the use of an electronic catalogue for online procurement of products with our stationary/office supplies vendor, thereby eliminating the distribution of hundreds of paper catalogues to City staff.
- Introducing a minimum order level for stationary orders to minimize the number of deliveries to the City, thereby reducing carbon emissions and lowering overall supply chain costs.
- Working with our vendor base and Accounting staff to accept payment via Electronic Funds Transfer by more than 35%, eliminating paper cheques.
- Deploying multi-function devices with fax/scan/copy features across most City divisions and offices.
- Reconfiguring and reusing existing modular office furniture to accommodate new staffing layouts, rather than purchasing entire workstation packages.
- Purchasing City fleet vehicles like Smart fortwo and Honda Fit which have a smaller ecological footprint, lower emissions, and reduced fuel consumption.
- Implementing a retrieval system with our stationary supplier for recycling of spent toner and ink cartridges.
- Increasing our use of environmentally preferred products in our janitorial and cleaning supply inventory.
- Leveraging the technical capabilities of our ERP system, and implementing payment acceptance via Evaluated Receipt Settlement based on total monthly receipts, and eliminating paper invoices with the City's high volume, low dollar transaction vendors

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- Using vegetable oil-based inks, ecosolvent inks, alcohol substitutes, water based developers for the printing equipment in the Print Shop.
- Increasing our use of recycled paper and recycled content products for in-house printing of business cards, reports, brochures, newsletters, etc.
- Electronic posting of bid documents on provincial website eliminating the printing and courier of paper documents.

These practices are key examples of more sustainable purchasing practices that have been implemented at the City. They serve as a sound foundation for further progressive changes to implement more sustainable practices and decision processes across all departments, divisions and offices at the City.

#### **4.0 SUSTAINABLE PURCHASING GUIDELINES**

Sustainable Purchasing Guidelines are intended to provide the policy direction and guidelines to assist City staff in evaluating and making purchasing decisions. At a higher order level, they allow for the incorporation of environmental, social and economic considerations into each step of the purchasing process. As the experience and understanding of staff increases, the guidelines can be further detailed to establish direct requirements for specific purchasing decisions. The Purchasing Guidelines also provide a corporate reference document that can be maintained and continually updated to incorporate specific requirements for purchasing.

In order to advance the City's Sustainable Purchasing practices, this report proposes that Council first endorse the general Sustainable Purchasing Guidelines outlined below, and second, authorize staff to pursue implementation of the proposed guidelines and initiatives with the guidance of a City "Green Team". Over time, as staff gains further experience and understanding of the application of the Guidelines in specific areas, the work of the City's "Green Team" would assist in advancing further initiatives, provide feedback and advice on specific purchasing criteria, and identify more specific criteria to further update and enhance the Guidelines and City practices.

##### *4.1 Sustainable Purchasing Guidelines*

The following is proposed to form the basis of the City's Sustainable Purchasing Guideline. This guideline outlines the overall purpose; defines a sustainable preferable product or service; and sets general directions for purchasing decisions.

The proposed guideline is as follows:

### ***Sustainable Purchasing Guidelines***

***Purpose:*** To encourage, support and facilitate the purchase and use of materials, products and services that best achieve the City's environmental, social and economic goals.

***Applicable City Departments:*** All City Departments, offices and divisions that make purchases of goods and services.

***Sustainably Preferable Product or Service:*** Sustainably preferable products and services are those that have a lesser or reduced impact on the environment when compared to alternatives, result in an improvement to human health and well-being and social condition, and produce financial savings for the City over the short, medium and longer term.

***Life Cycle Cost Analysis:*** Sustainably preferable products are those which result in lower costs to the City when evaluated over the life of the product or service taking into account initial acquisition, lifetime maintenance, operating, disposal and replacement costs.

***Specific Considerations:*** Specific consideration is to be given to products and services which:

- Protect human health
- Promote social well-being
- Conserve resources and energy
- Prevent pollution
- Reduce waste and promote diversion
- Promote recycling, reduction, and re-use of materials/products
- Promote economic development
- Provide economic value
- Meet performance criteria
- Conform to financial and budget constraints

At this time, while these guidelines are very general, and do not establish priority conditions or specific performance criteria, they do provide the basic foundation upon which the City would be able to build and define more specific criteria over time. To assist in this process, the following outlines a proposal for a City "Green Team".

#### 4.2 The “Green Team”

Purchasing decisions involve participants from various departments and offices across the City, and these user decisions play a significant role in achieving the overall sustainability benefits in areas of the environment, society and the economy.

The development and implementation of sustainability actions and policies in the City is best achieved on an organizational basis which involves and shares the knowledge, experience and expertise of staff across all departments and levels to research, test, evaluate, define and develop sustainable purchasing practices. In this regard, it is proposed that a City “Green Team” be established with participants from departments, divisions, and offices across the City to assist with the furtherance of the City’s Sustainable Purchasing Guideline. This call for membership to the Team would draw upon the City’s valuable people resources, leveraging the individual strengths and beliefs that staff bring from their various backgrounds and experiences, thus ensuring a greater capacity for engagement at all levels. This also fosters and rewards interdepartmental collaboration as staff are empowered to influence decisions.

The “Green Team” would be tasked to prepare an Implementation Plan that would:

- Establish more specific objectives for purchasing considerations.
- Identify specific priority areas for systematic review from a sustainability perspective:
- Define resource requirements, including any pilot program testing resources to undertake and complete specific priority area reviews and implementation of recommended actions.
- Develop a communications plan, strategy and information guide to further inform City staff and provide sufficient education and training of the Sustainable Purchasing Guidelines and specific product and commodity objectives and criteria.
- Establish procedures for continuous review, monitoring and updating of specific priority areas, and define requirements for progress reporting.

Membership on the Green Team would be drawn from the Purchasing Department with departmental representatives from all purchasing groups in the City. Initially, once the Green Team is recruited, it is expected that a working plan can be drawn up.. It is expected that the Green Team would be able to address priority areas of Office Equipment Products/Printing and Writing Paper



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Products, and the City Hall Pool Vehicle Fleet review within the first 6 months of the Team's establishment, with ongoing work continuing into the foreseeable future. While the role of the Green Team is important, the Sustainable Purchasing Guidelines would also, on an ongoing basis, result in continual and incremental improvements to City practices across the organization to be implemented and administered through the Purchasing Department.

In addition, plans would include the furtherance of a comprehensive communication plan for education, training and a documented information guide outlining specifics of the Sustainable Purchasing Guidelines for City staff to incorporate sustainability as a consideration into their purchasing decisions

Preliminary estimates of time commitments for respective Team members would indicate meeting attendance (2-4 hours per month) and associated research, review and implementation time (4-6 hours per month).

Some of the more immediate priority short-term goals that the Purchasing department wishes to move forward include:

- Implementing the use of 100% recycled copy paper in our inventory for use in all Printshop supply orders and across all departments. This can easily be achieved at a total incremental cost to the City of 15% more than virgin copy paper.
- Mandating that all printed City literature distributed internally and externally be on 100% recycled paper where printing media is available, or on stock with post consumer content at a minimum.
- Working with Information Services to ensure all users set a default setting for duplexing copying via the multi-function devices (MDF)
- Working with Information Services to reduce the numbers of satellite personal printers and fax equipment across the organization, now that MDF units have become entrenched.

In the short to medium term, it is the Purchasing Department's intent to focus on the vehicle fleet specifically for more sustainable practices in the acquisition process. We would continue to work towards the rationalization of our City Hall fleet by sharing assigned vehicles, rightsizing the fleet and vehicle selection, and purchasing smaller footprint vehicles that have reduced fuel consumption or alternative fuels, and lower emissions.

It is the intent of the Purchasing department to review our procurement practices with the Green Team to ensure that we are making purchases across all departments in a more systematic and sustainable approach while continuing to meet the performance and budgetary requirements of the City.

#### *4.3 Guidelines Review and Amendment*

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The City's Sustainable Purchasing Guidelines will be reviewed regularly and amended to adapt to changing requirements, circumstances and conditions.

An annual report would be submitted by the Purchasing Manager with input from the Green Team and would include a listing of initiatives underway at the City, and a review of the past year's activities, and an outline of future initiatives. A regular review of the Sustainable Purchasing Guidelines and practices ensures that they remain current, continue to develop and improve, and reflect any realignment of City goals and objectives.

#### *4.4 Budgetary Considerations*

Many of the short-term actions associated with the proposed Sustainable Purchasing Guidelines could be pursued within the existing staff complement and within 2009 budget allocations.. Moving forward, any medium and longer term initiatives that would require further funding would be brought forward to the Committee and Council for consideration and advancement as part of future budget approval processes. It is likely that on a longer horizon, there will be a need for further resources to achieve significant progress on implementation of a sustainability approach. However, any costs would, in part, be offset by the availability of incentive programs, rebates, grants, and general pricing efficiencies and through an accounting of broader social, environmental and economic benefits achieved through the proposed approach.

### **5.0 CONCLUSION AND NEXT STEPS**

Through the work of the Environment Committee, there is a desire to ensure that the City remains at the forefront of a sustainable approach. The proposed Sustainability Purchasing Guidelines and Initiatives seek to further operationalize sustainability within purchasing decisions.

The proposed approach will provide for greater stewardship by City staff as a deeper awareness and understanding of the economic, environmental and social aspects of purchasing decisions are managed and balanced using the Sustainability Guidelines and Initiatives.

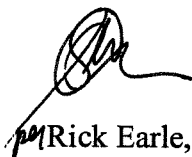
Short term goals include the establishment of a Green Team and the development of a Working Plan to address immediate priority areas by the Purchasing department over the next 6 to 24 months, and those specific Priority areas listed in section 4.2.

Longer term and ongoing goals would include the continued review and adjustment of priority areas for systematic review, and a deeper analysis of our current initiatives to ensure adequate consideration is given to moving

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recommendations forward in a unified manner across all departments; and other priority areas arising from the Green Team and the annual Committee and Council review.

It is recommended that the Committee recommend that Council endorse the proposed Sustainable Purchasing Guidelines and Initiatives; and authorize staff to proceed with the implementation of the proposed guidelines and initiatives with the assistance of a City "Green Team" as outlined in this report.



Rick Earle,  
DIRECTOR FINANCE

GC:

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