Sustainable Procurement: Briefing Note

A part of the Climate Accountability On-Ramps Handbook

Proposal: That Council directs the development and implementation of a sustainable procurement policy.

Definition: Sustainable procurement ensures that purchasing decisions consider broader environmental impacts and strengthen the social and economic resilience of the community, rather than focusing solely on the traditional considerations of price, quality and ability to meet technical requirements. It considers some or all the following factors:

- Environmental / Green - bidder/supplier/service/product criteria for greenhouse gas (GHG) emissions, materials/ energy / water use, waste, toxicity, reuse, repair, etc.
- Ethical - suppliers and subcontractors pay liveable wages and have policies that prevent employment discrimination.
- Social - purchase will support local suppliers, non-profits, Indigenous businesses; create employment opportunities for people experiencing barriers; and deliver social value to the community.

Background

Issue: Canadian municipalities spend millions of dollars each year purchasing goods and services and investing in major capital projects. In the Municipality of _____, average annual procurement exceeds $_____. Sustainable procurement provides an opportunity to leverage these purchases to reduce environmental impacts and address community needs, thereby assisting the municipality in meeting its climate plan and community goals. The BC Social Procurement Initiative (BCSPI) describes this as buying with purpose.

Scope: The Policy will apply to all purchases, leases and rentals using operating, capital and restricted funds of the Municipality and will provide guidance for municipal staff with responsibility for purchasing decisions.

Key components of the policy development process:

- **Establishment of a vision** endorsed by Council and senior leadership which links procurement to the municipality's climate plan and community goals.
- **Dedicated staff resources**. Options include but are not limited to, making sustainable procurement part of an existing or new staff person's responsibilities; creating a cross-departmental working group to implement sustainable procurement; accessing grants to facilitate hiring of consultants.
- **Leveraging procurement networks**. Canadian Collaboration for Sustainable Procurement (CCSP), BC Social Procurement Initiative, ECPAR (French and English) and Buy Social Canada all offer free resources as well as additional tools and networking opportunities available to members.
- **Development of a policy** to explicitly guide how purchasing decisions are made.
- **Commitment to staff training** so there is broad understanding of the power of sustainable procurement to create community benefit.
- **Piloting** of initial sustainable procurement projects to demonstrate success in the short term and build buy-in.
- **Creation of tools** for staff to use in scoring bids.
- **Development of a measurement and tracking system** to ensure that the benefits to the municipality are documented and shared.
- **Engagement with local suppliers** to build their capacity to bid on municipal projects.

Where has this worked?

Municipalities of all sizes from across Canada have successfully implemented sustainable procurement policies:

- City of Calgary's Benefit Driven Procurement process
- City of St. Albert, AB Sustainable Procurement Administrative Directive and Sustainable Procurement Guide - population 65,500
- Village of Cumberland BC - population 3,700. First municipality in BC to enact a social procurement policy.
- City of Richmond, BC modified its existing procurement policy to support its circular economy goals.
- Vancouver BC sustainable purchasing policy and City of Vancouver's annual report to council on Sustainable Procurement
- City of Mississauga ON report on sustainable purchasing approach and policy with supplier code of conduct

- Nanaimo BC sustainable procurement - population 90,500
- Town of Qualicum Beach BC social procurement policy - population 9,000
- Buy Social Canada's Trade Agreements Primer

Benefits

The social and environmental benefits of sustainable procurement decisions impact the whole community. Depending on the specifics of the purchase, impacts can include reduced greenhouse gas emissions, less waste, longer lived or repairable products, options for reuse or recycling, less toxic materials used on site or in the manufacture of goods, increased engagement with Indigenous businesses and increased employment of equity deserving groups.

Benefits to the municipality include alignment with community climate plan goals, reduced costs for waste management and increased employment in the community. Leveraging purchasing decisions to achieve the municipality's social and environmental goals will contribute over the long term to managing costs in these areas.

Challenges

Development of a sustainable procurement policy can take a year or more, depending on the resources available. During the policy development phase, it is helpful to pilot sustainable procurement on a few upcoming purchases or capital projects to gain insights that can then be incorporated into the policy. Pilots are also an effective way to build buy-in across the municipality as the positive impacts of the pilot sustainable procurement projects can be shared and promoted.

There are often misconceptions about the limits trade agreements may put on sustainable procurement. These can be addressed in the policy and via staff and supplier training.

Costs and Budget Impact

Despite common misconceptions, there is no evidence that sustainable procurement costs more, particularly when the lifecycle costs and social / environmental benefits to the community are taken into account.

Some municipalities have accessed funding from the FCM Green Municipal Fund to support the development of sustainable procurement policies and implementation plans. There may also be opportunities to partner with nearby or similar sized municipalities to pool resources in implementing sustainable procurement across both municipalities.

Motion

Whereas the Municipality of _____ invests on average over $_____ each year in infrastructure development and purchasing goods and services; and.

Whereas these purchases can be leveraged to reduce environmental impacts and address community needs, thereby assisting the municipality in meeting its climate plan and community goals.

Therefore, be it resolved that the local government of _____initiates the development of a sustainable procurement policy which will address procurement criteria including:

- Consideration of more than just lowest purchase price, focusing instead on total life cycle cost of goods and services and value
- Integration of environmental sustainability provisions to minimize greenhouse gas emissions, environmental footprint and production of waste
- Requiring suppliers and subcontractors to adhere to ethical standards related to employee treatment, wages, benefits and working conditions
- Supporting reconciliation via engagement with Indigenous owned and operated businesses
- Achieving social impact outcomes related to employment, training and skills development of the local workforce and advancement of community development
- For infrastructure or land development policies, giving consideration to Community Benefit Agreements (CBAs)*

*CBAs are agreements between the municipality, developer and community agencies which define the social benefits that will be generated through the life cycle of the project