



Sustainable Procurement Handbook

A part of the Climate Accountability On-Ramps Handbook

Contents

1. [Introduction](#)
2. [Getting Started](#)
3. [Sustainable Procurement Initiatives](#)
 - a. [Enact a sustainable procurement policy for your municipality](#)
 - b. [Leverage existing resources and partners](#)
 - c. [Pilot some initial sustainable procurement projects to build momentum](#)
 - d. [Check existing contracts for opportunities to enhance sustainability](#)
 - e. [Build an internal culture supportive of sustainable procurement](#)
 - f. [Adjust the weighting on sustainability](#)
 - g. [Shift focus to life-cycle costs](#)
 - h. [Engage suppliers](#)
 - i. [Track and leverage successes](#)
 - j. [Advocate to higher levels of government to provide sustainable procurement resources](#)
4. [Challenges and Solutions](#)

Introduction

Canadian municipalities spend millions of dollars each year purchasing goods and services and investing in major capital projects. Sustainable procurement ensures that purchasing decisions consider broader environmental impacts and strengthen the social and economic resilience of local communities, rather than focusing solely on the traditional considerations of price, quality and ability to meet technical requirements.

The [BC Social Procurement Initiative](#) (BCSPI) describes this as **buying with purpose**; leveraging purchasing decisions to simultaneously address the needs of the community. As outlined by [BCSPI](#), there is no evidence that sustainable procurement costs more, particularly when the social and environmental benefits are taken into account.

Sustainable procurement usually 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, upstream impacts etc.
- **Ethical** – suppliers and subcontractors pay liveable wages and have policies that prevent employment discrimination.
- **Social** – project or purchase will support local suppliers, create employment opportunities for people experiencing barriers and deliver social value to the community through hiring non-profits, social enterprises, diverse suppliers. There can also be an analysis of the upstream impacts on communities from where the materials and goods come.
- **Indigenous** – supports reconciliation through contracting Indigenous businesses and increasing skill development / jobs for the Indigenous community.

Tendering processes or internal guidelines for each purchase or project can be tailored so that only relevant factors are included in bid scoring or purchase decisions and trade agreement requirements are met. It is possible to both seek environmental and social outcomes and meet trade agreement requirements. Moreover, trade agreements have thresholds and exemptions, allowing flexibility for how lower value projects are tendered.



Getting Started

Key steps to implementing sustainable procurement include:

- Establishing a vision that links sustainable procurement to achievement of the municipality's Master Plan, Climate Plan, or other social planning and economic development goals.
- Ensuring adequate staff resources are in place. Consider hiring a consultant or a Sustainable Procurement Coordinator; make sustainable procurement part of an existing staff person's responsibilities; or create a cross-departmental working group to implement sustainable procurement.
- Putting policies in place to guide how purchasing decisions are made. However, it is not enough to just have a policy. Staffing and training resources also need to be made available to put the policy into action.
- Training staff so everyone understands the power of sustainable procurement to create community benefit.
- Piloting some initial sustainable procurement projects to demonstrate success in the short term and build buy-in. The [Canadian Collaboration for Sustainable Procurement \(CCSP\)](#) also suggests developing a High Impact Procurement Opportunity (HIPO) list that includes high volume, high spend or high visibility projects. The HIPO list can be used to prioritize potential sustainable procurement opportunities as the policy is implemented.
- Create tools for staff to use in identifying relevant sustainability considerations and in scoring bids (e.g. scoring spreadsheets; guidelines) and train people in their use. For sustainability criteria to be effective, bid evaluators need to know how to apply them when scoring proposals. See [product sheets](#) for common purchase categories by ECPAR in Quebec. Joining an existing organization can often provide access to tools that have been created for these purposes.
- Develop a measurement and tracking system to report on the impact of sustainable purchases as it relates to your objectives. This can be used to reinforce buy-in to sustainable procurement by demonstrating its impact. Develop a few key performance indicators early in the sustainable procurement process to ensure that wins are documented.
- Engage suppliers, nonprofits and small and medium sized businesses to build their capacity to bid on municipal projects (e.g. "How to do business with the City" events; website materials that explain the sustainable procurement



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process - see the City of Calgary's website content about their [Benefit Driven Procurement process](#)) or BCSPi's Vendor Outreach Guide and [Vendor Information sheet](#).

For more information on BCSPi's programs and services - [check out this recording of their presentation to our BC Chapter](#)

These steps are not linear - some municipalities start with creating a policy; others pilot a few sustainable procurement projects to build momentum while developing the policy. The best strategy for your municipality will depend on Council's objectives, whether there are already senior leadership champions and what level of resourcing is available.

Some words of advice from other municipalities:

"The most important thing is just to start. Put something in place and see what you learn"

"This is the future. Sustainable procurement is a growing trend in municipal government. The sooner you start, the better prepared the municipality will be and the less catch-up you will need to do"



Sustainable Procurement Initiatives

Climate Caucus has ranked the following initiatives from beginner to expert, based on Complexity to implement, Staff time & expertise, and Political capital. Please note, these rankings are our own best judgements.

-  Green Square = Beginner
-  Blue Square = Intermediate
-  Black Diamond = Advanced
-  Double Black Diamond = Expert

Enact a sustainable procurement policy for your municipality

The Basics:

- Develop and implement a sustainable procurement policy for your municipality or integrate sustainability and circularity into your existing procurement policy.
- Use examples from elsewhere as a starting place to avoid spending more time on planning than enacting.
- Consider including all aspects of sustainable procurement (i.e. environmental, ethical, social, Indigenous) in one policy, rather than creating separate policies for each.
- Ensure there are measurement systems in place for the key metrics right from the start. Examples: % of procurements that address sustainability criteria; number of diverse suppliers that bid on contracts and number that were successful; % reduction in packaging waste; \$ value of community benefit unlocked by choosing a more sustainable bid; etc.
- Pilot some initial procurements using the new policy. Adjust your implementation plan based on the results.



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- Consider strengthening the policy over time - starting with a policy that generally encourages sustainable procurement and moving toward minimum % weightings for sustainability criteria where appropriate.

Check out this [Sample Briefing Note for Sustainable Procurement](#) with a sample proposal to council and motion.

Examples:

- [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
- [Coastal Communities Sustainable Procurement Initiative 2019-21](#) report showing how small communities can work together. This project has now expanded and become BCSPi.
- City of St. Albert, AB [Sustainable Procurement Administrative Directive](#) and [Sustainable Procurement Guide](#) - population 65,500
- [Changing the Procurement Landscape](#) - BCSPi Case Study on Sunshine Coast Regional District - population 32,000
- [Village of Cumberland BC](#) - population 3,700. First municipality in BC to enact a [social procurement policy](#) and framework
- [City of Richmond, BC](#) modified its existing procurement policy to support its circular economy goals.
- CCSP 10 step Best Practice Program Framework found within the [CCSP Annual report](#)
- City of Nanaimo BC [Sustainable Procurement Policy](#)
- [Winnipeg](#), MB Sustainable Procurement

Leverage existing resources and partners

The Basics:

- [Buy Social Canada](#) offers free resources for implementing sustainable procurement (e.g. Social Value Menu Templates for Implementation for [Goods and Services](#) and for [Community Employment Benefit Agreements](#); and a [Trade Agreements Primer](#)).



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- Share research and knowledge –consider joining or forming a group or a community of practice (e.g. [Canadian Collaboration for Sustainable Procurement \(CCSP\)](#), [ECPAR](#) and [BC Social Procurement Initiative](#) both offer some free resources as well as additional tools and networking opportunities available to members). Some provinces or districts may also have a community of practice for purchasing managers or sustainability staff.
- Some municipalities have accessed funding from the FCM Green Municipal Fund to support the development of sustainable procurement policies and implementation plans.
- Consider partnering with nearby or similar sized municipalities (e.g. In PEI, the City of Charlottetown is partnering with the Town of Stratford to pool resources in implementing sustainable procurement in both municipalities).
- Consider joining a cooperative purchasing group (See [Mobility electrification – Cooperative Procurement section of Handbook](#))

Resources:

- National Zero Waste Council's [Circular Procurement: Strategies for Circular Criteria](#) highlights why, how and offers strategies.
- CCSP offers a free [Sustainable Procurement Guide](#) with tips for starting the conversation in your municipality.
- [Sustainability Advantage](#) also provides free sustainable procurement tools and information on the [advantages of net-zero procurement](#).
- The Circular Innovation Council (formerly the Recycling Council of Ontario) has developed a [Circular Procurement](#) website with resources and case studies.
- FCM's [Green Municipal Fund](#) has resources including a webinar on circular procurement.
- [Report from Green Economy Canada](#) on lessons learned from a pilot on Sustainable IT Procurement at a number of Canadian cities – includes link to self-assessment tool and a RFX guide for criteria to include in bid documents
- [Building Circularity into our Economies through Sustainable Procurement](#) –UN Environmental Programme
- [Net-Zero Procurement \(NZP\) Toolkit](#) includes 1) sample product specifications used to score products; 2) sample supplier assessment questionnaires; 3) a sample bid appraisal template; and 4) sample NZP contract terms and conditions.



Pilot some initial sustainable procurement projects to build momentum

The Basics:

- A new sustainable procurement program can take several years to be fully developed and implemented. While this work is underway, consider piloting some sustainable procurement projects to build buy-in and demonstrate impact.
- Identify departmental champions willing to pilot sustainable procurement.
- Do a spend analysis - where are most municipal funds spent each year? IT and Facilities are often a good place to start. Which projects have the potential for high visibility (e.g. large capital projects, green buildings or retrofits). Low value tenders can also provide an opportunity for low stakes pilot procurement projects.
- Consider choosing areas where there is already a mature market addressing sustainability concerns (e.g. office supplies; cleaning services; IT). This ensures suppliers will be ready to respond to sustainability considerations in tenders.
- Explore opportunities to change the internal processes used for low value spending within the municipality (e.g. BCSPi case study on the [City of Victoria's corporate purchasing card pilot project](#))

Check existing contracts for opportunities to enhance sustainability

The Basics:

- Look at existing contracts to see if there are ways to make ongoing purchases greener
- Existing suppliers may have ideas that can be implemented without requiring a change order (e.g. switching product brand to increase recyclable content; changing to fair-trade coffee). More environmentally friendly products are entering the market all the time.
- Explore opportunities to reduce packaging from existing suppliers or to switch to a product that is reusable or if not reusable, recyclable in your municipality's waste management program.



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Build an internal culture supportive of sustainable procurement

The Basics:

- Provide ongoing training on sustainable procurement for staff. Include training for new hires as part of onboarding and address turnover by offering regular training opportunities for all staff. In larger municipalities, training can be focused on contract managers to maximize impact.
- Having a sustainable value (or Supplier Leadership) questionnaire as part of the process ensures all bidders have addressed the same criteria and can be fairly compared. Staff that are evaluating bids may need training on how to apply these sustainability criteria in the bid scoring process.
- Address misconceptions about trade agreements being a barrier to sustainable procurement.
- Provide regular reporting to Council to track the impact of sustainable procurement and build support for its implementation.
- Share success stories to build buy-in across the organization and to highlight the additional social and environmental value that can be leveraged by sustainable procurement.
- Create incentives for the adoption of sustainable procurement by including it as a component of performance reviews for municipal buyers.
- Form a cross-departmental working group committed to sustainable procurement to build an internal support group and identify new opportunities to move the work forward.

Examples:

- City of Mississauga ON [Sustainability Leadership Questionnaire](#)
- Buy Social Canada's [briefing note on the use of “local” in the bid process](#)

Adjust the weighting on sustainability



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The Basics:

- Many municipalities start with weightings of 5-10% for sustainability criteria and then build on this over time where appropriate.
- Weightings need to be right-sized for the type of purchase, not a one size fits all.
- Where larger sustainable and social value opportunities exist within a procurement project, it may make sense for the weighting of these elements to be increased.
- Some municipalities have used weightings as high as 50% for unique situations (e.g. Village of Cumberland's [RFP process for Temporary Use Permit for cannabis retail](#)).

Examples:

- District of Squamish BC [Request for Supplier Qualifications for Consulting Services](#) bid document which includes Appendix E Social and Environmental Impact Questionnaire weighted at 30%.
- City of Campbell River [RFP for General Contracting Services, Facility Maintenance & Repair](#) which weighs social value at 15%.
- City of Victoria [RFP for Design-Build Electric Vehicle Supply Equipment - Parkade Installation](#) - social value and sustainability 10%.
- Comox Valley Regional District [RFQ for Denman Island Community Bus Services](#) - with a sustainability weighting of 15%.

Shift focus to life-cycle costs

The Basics:

- Allay fears about sustainable procurement being more expensive by encouraging a focus on life-cycle costs, sometimes referred to as Total Cost of Ownership (TCO), including initial up-front cost, lifetime maintenance and operating costs as well as disposal and waste management.
- The initial upfront costs of many purchases are often a fraction of the operating costs and disposal so it is important to focus on the total life cycle cost when choosing the contractor / supplier.

Examples:

- Green Economy Canada pilot project on [Advancing the Circular Economy in](#)



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- City of Richmond's [analysis of best value](#) (page 5)

Engage suppliers

The Basics:

- Ensure local suppliers are aware of your municipality's sustainable procurement policy and are ready to bid on relevant contracts.
- Offer vendor training opportunities and online information.
- Develop lists of verified suppliers. Chambers of Commerce can be a good source for local business listings.
- Consider developing a Supplier Questionnaire or Code of Conduct to signal to bidders that sustainability is important in successful bids.
- Some municipalities provide opportunities for bidders to ask questions or seek additional information which can create opportunities to provide high impact bid-specific training.
- Consider seeking input from suppliers during the policy development phase.

Examples:

- [City of Calgary's Benefit Driven Procurement](#) website includes an explanation of the rationale, the process being used and a [video guide](#) for suppliers on the questionnaire used in bids
- City of Toronto's [Social Procurement program resources](#), including how to become one of the City's designated diverse suppliers
- Halifax Regional Municipality [Supplier Questionnaire](#) and [Supplier Code of Conduct](#)

Track and leverage successes

The Basics:

- Establish sustainable procurement outcomes or key performance indicators at the start of the sustainable procurement process to ensure successes can be tracked and reported.

- Choose indicators based on the objectives that have driven the adoption of sustainable procurement in your municipality (e.g. strategic plan or climate and sustainability plan goals).
- Build in regular reporting to Council.
- Consider highlighting success through press releases and social media to build broader buy-in for the benefits of sustainable procurement. Share results with other municipalities.
- Consider partnering with neighbouring municipalities to create a common set of measures that are publicly available to suppliers to create a level playing field for doing business regionally. Transparent and predictable contract requirements signal to suppliers that sustainability will be a priority going forward.
- Keep contract specific indicators of success meaningful but simple and err on the side of fewer measures to balance the data collection burden on smaller suppliers.
- Select only indicators for which you have a baseline and on which suppliers can reasonably report throughout the contract.

Resources:

- For more on issues to consider in designing a measurement system see [BCSPI's Impact Measurement Framework Guide](#)
- [ECPAR's Sustainable Procurement Barometer](#) self-assessment tool for municipalities and other stakeholders to compare progress on sustainable procurement
- The Common Approach's [Impact Measurement framework for social purpose organizations](#)

Advocate to higher levels of government to provide sustainable procurement resources

The Basics:

- For smaller communities, the capacity to develop policy and knowledge may be limited and it may replicate existing work.
- Ideally these resources would be developed by a higher level of government, with funding to create tools and make them readily available so they are easy for communities to adopt.



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Examples:

- [Nova Scotia Procurement](#) -guides the public sector including municipalities, academic institutions and schools.
- The [Canadian Collaborative Procurement Initiative](#) joins together federal, provincial and territorial governments as well as municipalities, academic institutions, schools and hospitals to increase buying power.
- The [BC Social Procurement Initiative](#) is supported by the BC Government.
- The Government of Canada's [Buyers for Climate Action](#) is open to municipalities and others.



Challenges and Solutions

CHALLENGES	SOLUTIONS
Provincial policy around lowest cost	• Have a sustainable procurement program and policy based on the key aspects the community wants to address • Shift mindset from cost to value • Put specifications for key green components (in line with overall waste reduction, climate change, and other municipal goals) in the RFP or tender
Small communities (scale, capacity, spend)	• Canadian Collaboration for Sustainable Procurement is open to members from smaller communities • Work in a collaborative • Encourage the Province, Territory or Regional District to develop model bylaws for municipal (particularly small) application
Vendor understanding of sustainable procurement	• Ask good questions as buyers, ensure they are relevant • Help to educate vendors on the goals of the program
Verification of vendor information	• Conduct good market research • Ask for proof such as receipts for carbon credits, policies, etc.
Restrictions from trade agreements	• Check the threshold limit • Look for exemptions for nonprofits • A collective could get a legal opinion
Decentralized procurement staff	• Develop a checklist or tools that can be shared • Think of procurement as a team -often a procurement specialist plus the end-user department staff and possibly sustainability staff

Climate Caucus Resources:

- [Climate Caucus Municipal Grants List](#) - detailed list of relevant municipal grants
- [Policies and Resources Library](#) - list of motions, bylaws, council reports and briefing notes



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Part of the [Zero Waste and Circular Economy Handbook](#)