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Environmental and Sustainability Committee
April 7, 2011

TO: Chair and Members of Environmental and Sustainability Committee

A handwritten signature in cursive script that reads "Cathie O'Toole".

SUBMITTED BY: _____
Cathie O'Toole, Director of Finance/CFO, BA, CGA, MBA

DATE: March 15, 2011

SUBJECT: Green Approach to Procurement

INFORMATION REPORT

ORIGIN

A request by the Environmental and Sustainability Standing Committee on February 2, 2011 for a staff report that looks at awarding points for green initiatives during procurement of tenders or at the very least eliminate working in tenders that eliminate green alternatives.

BACKGROUND

In 2004, the Halifax Regional Municipality (HRM) partnered with The Natural Step to conduct a Corporate Sustainability Analysis. The final summary identified three priorities:

- Green Procurement
- Green Buildings
- Green Corporate Culture

This was followed in 2005 with The Natural Step producing Guidelines for Sustainable Procurement, a document that outlined the Natural Step Framework and its application to Procurement. These documents reinforced HRM's commitment to sustainable procurement and provided a framework to move forward.

DISCUSSION

Procurement uses two basic types of methods to solicit competitive bids for the goods, services and construction required for HRM. The first method, tender/quotations, are used when detailed specifications are available that permit the evaluation of the tender/quotation against clearly stated criteria and specifications. All bidders bid on the same specifications and the award is made to the lowest cost bid meeting specifications. Specifications cannot be overly restrictive as to limit the number of suppliers unnecessarily, requirements must be standardized and the resulting purchase must meet business unit requirements. The tender/quotation process is the most widely applied procurement process to obtain HRM's overall requirements for goods, services and construction.

"Greener" specifications are developed and incorporated into tenders and quotations on a regular basis to provide for more sustainable purchases. Examples include the use of EcoLogo, EPEAT, FSC and EnergyStar certified products. Staff reviews current specifications continually in the context of what the market has to offer in terms of "greener" solutions to meet business unit requirements. This can be a slow and methodical process as products may have to be tested to ensure they meet HRM's requirements or their claims to be "environmentally friendly" validated. Specifications affecting packaging, disposal of products and the use of more environmentally friendly materials are also evolving and leading to "greener" purchases.

The second method of procurement, Request for Proposals, allows for proponents to describe how their services, products, or equipment can address and/or meet the specific needs of HRM. Proposals are evaluated based on pre-determined criteria, applied equitably to all proponents and are awarded to the proponent determined to be the most advantageous to the HRM. This type of procurement allows for an allocation of points based on a variety of criteria including sustainability. HRM has used the RFP process to procure sustainable products (i.e. LED Lighting) and selectively to secure strategic sourcing partners for various commodity groups including cleaning supplies and, most recently, a strategic sourcing partnership has been established for office supplies. The intent of these strategic partnerships is to work with suppliers over a longer term, usually five years, to increase the overall sustainability of the

commodity grouping. As an upcoming project, Procurement will be participating in a print management initiative, a project to rationalize the number of printers, copiers, faxes, and desktop printers by accurately inventorying the existing assets and survey usage. The long term objective is to ensure better use of current technology and to potentially enter into a strategic sourcing partnership for print and copy equipment leases.

Training is an important component of Procurements' program to implement sustainable procurement within HRM. To this end, a training session for all staff is currently under development and will be rolled out within the next couple of months. This training will be designed to provide staff with the basic concepts of sustainable procurement and the tools that can be used to integrate these concepts into the procurement process. To support this endeavor, lunch and learns will be provided to support the training material wherever needed.

BUDGET IMPLICATIONS

There are no budget implications associated with this report.

FINANCIAL MANAGEMENT POLICIES/BUSINESS PLAN

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Project and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Project and Operating reserves, as well as any relevant legislation.

COMMUNITY ENGAGEMENT

No community engagement occurred in relation to this report.

ATTACHMENTS

None

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

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