



LEADERSHIP IN GREEN PROCUREMENT AWARD

Winner

Toronto Transit Commission (TTC)

Team: Bill Ackehorst, Peter Ho, Rafik Khouzam, Nathalie Tauvette, Grant Waddell

Summit: Canada's magazine on public sector purchasing, in collaboration with the Canadian Public Procurement Council and other interested parties, is pleased to introduce you to the winner and finalists of the Leadership in Public Procurement Award program for 2010. This is the 4th year for the Leadership in Green Procurement award. Public sector procurement professionals from all parts of Canada and all levels of the public sector compete for the award, which is then judged by a panel of their peers. Summit magazine and the CPPC thank the panel of judges for their time and expertise. The information you will find in the following pages will demonstrate just how successful ongoing efforts to 'green' procurement are. You are welcome to contact your colleagues for advice and information – after all that is part of the competition and one of the main reasons for establishing the award program several years ago. Submission forms for next years competition for both the Leadership in Public Procurement and Leadership in Green Procurement awards will be available at www.summitconnects.com in January 2011. We look forward to seeing your submissions.



The Toronto Transit Commission (TTC) is the winner of the 2010 Leadership in Green Procurement award, which is sponsored by Summit magazine and the Canadian Public Procurement Council. Shown here at the award presentation are: (L to R) Anne Phillips, Summit; Grant Waddell, TTC; Kathleen Muretti, CPPC.

Few transit authorities have adopted green purchasing policies and the opportunity that doing so presents to exercise leadership, not just within the organization itself, but in similar organizations across the country. The Toronto Transit Commission (TTC) – the largest transit organization in Canada – recognized the impact its procurement decisions could have on environmental issues and seized the opportunity to create an environmentally-friendly corporate culture at the TTC by developing and implementing a green procurement policy and program that would:

- provide a framework green procurement policy that would complement TTC's formal purchasing practices;
- encourage the inclusion of environmental performance criteria into supply chain procedures, processes and activities – and evolve as technology progresses; and
- ensure that the purchase of goods and services protects the environment, while maintaining best value for the TTC.

The ambitious policy calls for the integration of environmental considerations into "... all procurement activities related to facilities, construction, revenue and non-revenue vehicles, operations, administration, as well as other supporting activities." When it was approved in July 2008, the *Green Procurement Policy* introduced new and complex issues into TTC purchasing decisions (e.g., origin/source of raw materials, source/nature of power used in manufacturing, recycled content of material, packaging considerations, method of delivery, life cycle costing, audit/verification process, etc.). TTC senior management committed to the policy and began to implement it throughout the organization.

The policy is being implemented in three phases, with each phase building on the lessons and progress from the previous phase. Currently the TTC is in phase II – the integration of green procurement into all major aspects of the TTC's purchasing activities. To ensure that

THANK YOU TO OUR JUDGES

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performance is routinely evaluated in relation to objectives and targets, TTC is utilizing a green procurement tracking system to track and report on key metrics – water, waste, energy – related to both the implementation of green procurement as well as any associated reduction in impacts. The TTC also utilizes a total cost of ownership (TCO) tool that helps to evaluate traditional as well as newer innovative products for all the costs incurred over their lifetime from the moment it comes onto the property through to its proper disposal.

TTC staff is being trained on tools and techniques to facilitate the incorporation of environmental considerations into their purchasing decisions. An intranet site provides ongoing support to those with purchasing responsibility. To ensure that TTC staff apply green procurement considerations in a consistent and effective manner, the Materials and Procurement Department (M&P Department) developed 11 standards that reflect current best practices in procurement for key product categories, including: packaging, paper, IT equipment, furniture and lubricants. Two green procurement guides, developed by the M&P Department and being piloted by three departments, will be integrated into the TTC's online procurement system. *The Green Procurement Guide for Departments* is a step-by-step method of screening goods and services to understand if, when and where it is appropriate to integrate environmental specifications and requirements into purchases or contracts. *The Green Procurement Guide for Buyers* illustrates how bid evaluation techniques, vendor selection criteria and contract performance clauses can include environmental considerations or specifications.

The TTC's M&P Department – the lead group spearheading the implementation of the policy – conducted several pilot projects to help staff understand how to evaluate the financial, social and environmental cost of different options, as well as demonstrate the value of exploring different purchasing options. The pilot projects were assessed by an independent group, Five Winds International, for TTC-wide approval. They included projects such as:

- using items such as reusable plastic pallets for transporting large materials; reusable racks for transporting glass and reusable canvas bags for shipping parts and components;
- replacing conventional radar type flashlights with ultra-efficient LED flashlights to improve energy efficiency which is anticipated to eliminate approximately 7,400 kg of waste per year and result in annual cost savings of approximately \$545,000-\$745,000.
- a paper reduction program that resulted in a 20 percent reduction in paper use, plus the procurement of copy paper with 100 percent post consumer recycled content. While the economic cost of this switch was negligible, the estimated environmental benefits were significant, including: the conservation of 84,000 MJ of primary energy use, 11.4 metric tonnes of wood, 154,000 litres of water and 2.3 tonnes of solid waste. Other departments in the TTC are now working towards the same goals and achieving cost savings.

- a three-year contract with Safety-Kleen Canada to recover and re-refine over 1.8 million litres of used lubricants from TTC operations, and reuse them as engine oil in the TTC fleet, anticipates that annual greenhouse gas emissions generated will be reduced by 3,900 metric tonnes – the equivalent of removing 239 passenger vehicles off the road each year.



Grant Waddell, TTC, describes his team's winning efforts to the Forum 2010 audience.

Following a review of its system contracts, 25 were identified as having significant potential to improve environmental performance via green procurement. To date, green procurement specifications have been developed for 11 of these contracts, including bus tires, janitorial products, welding gases, stationery and lumber.

The TTC is working with its key stakeholders to explore innovative ideas and technologies, identify learning opportunities, and encourage further collaboration. In addition to staff training, vendor workshops and requests for information, conference presentations and working with the Canadian Urban Transit Association, the TTC approached Bombardier, Daimler and Harper Power Products (three of the organization's top suppliers) to partner on pilot projects. These projects are aimed at minimizing waste going to landfill from the packaging and delivery of products delivered to the TTC.

As a result of approving its *Green Procurement Policy* and implementing it throughout the organization, the TTC anticipates that many of its vendors will now look at their own procurement practices in a 'green' light and seek to improve environmental performance.

Green procurement considerations are now being applied in a practical and productive manner, and as a result of this policy, the tools being developed that will continue into the future. For more information on the TTC's *Green Procurement Policy* and program visit: www3.ttc.ca/TTC_Business/Materials_and_procurement/Green_Procurement/index.jsp.



LEADERSHIP IN GREEN PROCUREMENT AWARD

Finalist

The Ontario Public Service

Life Cycle Analysis for Green Procurement Project

Team: Ministry of Government Services, Supply Chain Management Division,
Goods and Services Procurement Branch: Dharmesh Amin, Sandeep Bajaj,
Rudy Dzubina, Julia Maher, Jocelyn Merkley, Mark Randmaa, Sydney Werberger



The life cycle analysis for green procurement project supports the Ontario government's greening priorities, both reducing the Ontario public service (OPS) carbon footprint and supporting the development and strengthening of an innovative green marketplace for goods and services. The strategy framework utilizes environmental life cycle assessment (LCA), as well as a strong supplier collaboration program. This program includes: a consultation approach prior to the procurement being released to determine green initiatives in the market; a focus on areas where suppliers are competing relating to life cycle criteria; and a vendor performance plan as a deliverable in the procurement.

The application of environmental LCA quantifies the carbon footprint (providing a baseline) and other environmental impacts from the product/service life cycle. LCA identifies significant contributors in the supply chain to the overall environmental footprint, allowing for the development of targeted green procurement strategies such as green sourcing strategies and vendor performance plans.

Before becoming a standard practice, the environmental LCA needed to be tested and so the procurement of general office seating became the first pilot LCA. This project developed a baseline carbon footprint indicating "hot spots" in the supply; evaluated suppliers based on life cycle environmental criteria (e.g., recyclability of materials, modular design to extend chair life);

demonstrated the usefulness of the tool and validated the strategic framework proposed; and justified the acquisition of a commercial LCA software package that forecasts potential green procurement environmental impact reductions. During the pilot test, environmental measures were successfully implemented to review the truck transportation carbon footprint of the supplier, which was identified as a top contributor to the total life cycle carbon footprint for the product.

As well, in order to mitigate the risk of higher prices, a best and final offer (BAFO) clause was introduced for the general office seating pilot. Developed through considerations in procurement policy and contract law, the BAFO clause is an additional price stage that focuses only on the highest ranked proponent(s) and provides an opportunity for the proponents to submit a final price. The results of BAFO were highly successful leading to a price reduction (in one of the three seating categories) in this multi-million dollar contract.

In addition to general office seating, the strategy framework was applied to a number of other Ontario government active enterprise procurements over 2009-2010: courier services, cleaning supplies, dairy products and bread/buns. Analysis identified the potential for a significant reduction in greenhouse gases.

The new framework re-engineered the traditional procurement process by adding two new stages to the traditional process: life cycle rated and BAFO.

The life cycle rated criteria for request for proposals have the following features:

- evaluates proponents against life cycle environmental criteria for a specific product/commodity market;
- proponents are required to achieve a minimum score relative to the top ranked proponent in order to move to the final rated and pricing stage of the procurement;
- life cycle approach also supports lower life cycle costs by rating products on material reuse/recyclability and product life; and
- to be used in selected procurements as a separate rated evaluation stage in addition to mandatory environmental requirements based on LCA.

Ontario's life cycle based strategy framework – a new best practice – can be applied to any Canadian public procurement process in any public jurisdiction throughout Canada.



LEADERSHIP IN GREEN PROCUREMENT AWARD

Finalist

Metro Vancouver (Greater Vancouver Regional District)

Life Cycle Analysis for Green Procurement Project

Team: Green Procurement Task Force (employees from all departments and internal sustainability experts). Team leader: Tracey Husoy



Metro Vancouver (MV) is responsible for delivering essential utility services such as drinking water, sewage treatment, recycling and garbage disposal on a regional basis, while also maintaining and enhancing the quality of life in the region. In support of its commitment to its sustainable region initiative, MV has now adopted a sustainable procurement policy and standardized green procurement practices.

The Sustainable Procurement Policy focuses on the conduct of MV suppliers and contractors as it relates to their environmental and social practices.

The Green Procurement Practices focuses on the attributes of the products and services purchased. MV defines green procurement as the purchase of goods or services that are less harmful to the environment and to our health, than other available goods and services that serve the same purpose.

A green procurement task force, comprised of employees from all departments and internal sustainability experts, developed a variety of green procurement specifications/requirements that must be used when buying particular goods and services, whether by purchase card or through a formal tender or request for proposal. The specification/requirements take multiple attributes into consideration, including such things as recycled content, conservation of resources, toxicity, emissions, availability, price and performance.

Some of the specification/requirements include readily available third party certifications such as Ecologo or Green Seal. The current list of green procurement specifications/requirements includes: cleaning products/services; office supplies; printing services; diesel emissions from contractor's equipment, hired diesel powered vehicles and equipment and new diesel powered vehicles and equipment; life cycle analysis for the purchase of vehicles and equipment and high volume fly ash concrete. The list will evolve over time as the task force continues to iden-

tify opportunities and develop additional green procurement specifications/requirements.

To ensure consistent use of the specifications/requirements throughout the organization, the task force recognized the importance that corporate buy-in, ease of use and access to the information would have. MV amended its corporate policies to require that the specifications/requirements be used for all related procurement activities and the MV's intranet, which is accessible by all employees, provides details on the specifications/requirements and simple instructions on how to proceed.

According to Metro Vancouver, the path chosen to introduce sustainable procurement to its organization has been inexpensive and has required no additional staffing or resources.