Why Sustainable Procurement is Worth it... and Necessary

Sustainable CT
Local Actions. Statewide Impact.

Webinar Series
Mission

To provide municipalities with a menu of coordinated, voluntary actions, to continually become more sustainable; to provide resources and tools to assist municipalities in implementing sustainability actions and advancing their programs for the benefit of all residents; and to certify and recognize municipalities for their ongoing sustainability achievements.
Webinar Collaborators

Part of the National Network of Statewide-Local Sustainability Organizations (nnsso.com)
Sustainable CT Core Partners

Connecticut Conference of Municipalities

collaborating for the common good
Today’s Presenters

Heather Burns, Founder and CEO of the Connecticut Sustainable Business Council

Dr. Anastasia O’Rourke, Board of Directors of the Sustainable Purchasing Leadership Council and Special Consultant, Industrial Economics Inc.

Stacey Foreman, City of Portland, Oregon’s Sustainable Procurement Coordinator
Questions?

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The Business Case for Sustainable Procurement
OVERVIEW

BENEFITS OF SUSTAINABLE PROCUREMENT

- Cost Savings/Return on Investment
- Innovative Solutions & Strategic Partnerships
- Local Economic Growth
- Positive Public Relations
- Energy Efficiency & Environmental Benefits
- Social Harm Reduction
- High Road Workplace Benefits
COST SAVINGS

• Return on Investment exists for investing in efficiency measures within waste, water, and electricity.

• Tend to be category- or industry specific purchases.

• Collective procurement example: Connecticut-based **Stamford2030** created a Marketplace web platform that helps purchasing departments for educational institutions and corporations buy large quantities of green, ENERGY STAR- and WaterSense-qualified products that help property owners improve environmental performance.
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LOCAL PURCHASING = LOCAL ECONOMIC GROWTH

- Local is defined differently, but typically means purchasing from independently owned and operated businesses that are located near-by.

- According to Business Alliance for Local Living Economies, two-thirds of private sector jobs created in 2014 were generated by independent businesses.

- American Independent Business Alliance found that local, independent businesses have a significantly higher circulation rate than chains.
High-road business see their employees, the communities where they operate, and the products and services they provide as equally critical to their financial success. These companies hold a long-term perspective and see the workplace as a vehicle to create significant business and social good.

High-road businesses know they are far likelier to thrive when they provide family-friendly benefits, offer flexibility, pay a livable and fair wage, invest in employee growth and development, cultivate inclusion, govern fairly and transparently, engage with communities, manage the supply chain responsibly, drive environmental best practices, and promote health and safety.
Overview

Benefits of Sustainable Procurement:

- Cost Savings/Return on Investment
- Innovative Solutions & Strategic Partnerships
- Local Economic Growth
- Positive Public Relations
- High-Road Workplace Benefits
- Energy Efficiency & Environmental Benefits
- Social Harm Reduction
1. Buy locally
2. Implement high-road workplace practices
3. Specify environmentally sustainable processes and products
4. Seek supplier diversity
5. Welcome worker ownership
Diversity & Inclusion

Impact of Sustainable Purchasing Policies

<table>
<thead>
<tr>
<th>Policy Type</th>
<th>Green Purchasing Policy</th>
<th>No Green Purchasing Policy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Business Purchasing</td>
<td>67%</td>
<td>39%</td>
</tr>
<tr>
<td>Minority-Owned Business</td>
<td>53%</td>
<td>21%</td>
</tr>
<tr>
<td>Women-Owned Business</td>
<td>51%</td>
<td>18%</td>
</tr>
<tr>
<td>Veteran-Owned Business</td>
<td>23%</td>
<td>5%</td>
</tr>
<tr>
<td>Small Business Purchasing</td>
<td>33%</td>
<td>7%</td>
</tr>
</tbody>
</table>

Source: Darnall, Bretschneider, Hsueh, Iles, Suarez, Burwell, 2017, p.19
Worker Ownership
Resources

- Sign up for our newsletter for local sustainable procurement news, events and resources

- Join CT Sustainable Business Council Working Group

- Read The Power of Sustainable Purchasing
  Release date: May 22, 2018
Stay Connected

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Outline

- What Sustainable Procurement Looks Like At the City
- How We Got to Today
- Lessons Learned
COP Sustainable Procurement Program

- 1 FTE dedicated to sustainable procurement program
  - Housed in central procurement office
  - Responsibilities:
    - Research products, standards, best practices
    - Craft specifications, templates, and policies
    - Procurement process integration
    - Hands-on project implementation assistance
    - Education and outreach
    - Relationship building
  - Small program budget for misc. expenses; occasional consultant work
How We Got to Today

- WHY Sustainable Procurement at the City?
  - Aligns with Existing Values
  - External Stakeholder Pressure
  - Walk Our Talk
  - Huge Opportunity
  - Right Thing to Do

Example Values
- Stewardship
- Diversity
- Excellent Customer Service
- Responsive
- Healthy, Productive Employees
- Best Value Contracting
- GHG Reduction
- Healthy Community
- Cost Optimization
- Leadership
- Due Diligence
- Risk Management
How We Got to Today

Program Evolution

**Structured**
Steering Committee with Multi-Stakeholder Commodity Workgroups

**Opportunistic**
What’s the next procurement? Action driven by hot topics/policies

**Strategic**
Strategic Plan High Value, High Impact Actions/Projects Value Alignment Synergies

2002 2018
In every purchase, the City is a force for greater good.

We think holistically and act responsibly. We advance equity, environmental protection, community health, and market transformation.
Lessons Learned

- Ok to start small and gradually build
- Seek value alignment opportunities
  - Or how does sustainable procurement help:
    - Facilitate a gain
    - Alleviate a pain
- Collaborate
  - Do not reinvent the wheel
- Build key relationships
- Tell your sustainable procurement stories
THANK YOU!

any questions?

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An Introduction to Sustainable Purchasing

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Operations

Supply Chain

GHGs 8X

State of CA Analysis
There is also an opportunity for this spending to do good, to promote and enable sustainable communities to thrive.
Why focus on purchasing to advance sustainability?

Purchasers:

...are uniquely positioned to demand transparency into the upstream and downstream impacts of goods and services.

...are capable of incorporating sustainability criteria into purchasing decisions at a scale that can shift markets.

...are specially equipped to drive down the cost of sustainable products and services so that everyone can afford them.

...are already responsible for ensuring that end-users understand, like, and adopt new products and services.
So what is sustainable purchasing?

Sustainable purchasing means making sure that our suppliers - and the products and services they supply - deliver value for money and generate benefits not only for our organizations, but also for the environment, society, and the economy.

(SPLC 2017)
So what is sustainable purchasing?

**ACTIONS**

**Suppliers Screening and Assessment**
- Requesting information / certifications
- Analyzing responses

**Supplier Selection**
- Positive criteria, e.g. buy from local firms, supplier diversity, diverse owned firms

**Supplier Engagement**
- Helping suppliers improve on their sustainability performance

(SPLC 2017)
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(SPLC 2017)

**ACTIONS**

**Prioritizing goods and services that have the most impact**
- Needs assessment and spend analysis
- Identify contracts ready to be changed; or that can be accessed

**Creating sustainable specifications and selection criteria**
- Reviewing existing guidance for the category
- Considering product/service availability
- Writing specs, relying on existing ecolabels and standards

**Buying more sustainable goods and services**
- Encouraging buyers and vendors to meet criteria
- Tracking purchasing activity
Example: Higher Education Purchasing

Top 5 Categories by Environmental Impact
1. Electricity
2. Food, & Dining
3. Construction & Maintenance
4. Fuels
5. Sanitary & Waste

- 5 purchasing categories
- 64% of total spending
- 83% of estimated impacts
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**ACTIONS**

Incorporating “value for money” selection criteria

- Considering life cycle costs and quality
- Looking beyond lowest cost / initial price
- Training buyers on applying these principles and criteria
- Analyzing and communicating performance to key stakeholders, e.g. cost savings achieved.
So what is sustainable purchasing?

- Sustainable purchasing means making sure that our suppliers - and the products and services they supply - deliver value for money and generate benefits not only for our organizations, but also for the environment, society, and the economy.

**ACTIONS**

**Measure and Communicate Benefits**
- How sustainable purchasing helps to deliver on policy goals
- Environmental, social and economic benefits to the organization
- Environmental, social and economic benefits to the community and environment

**Collaborate to achieve greater impact, and share results**
- Collaborate with others on advancing sustainability
- Report and share your progress and results.
To do all these things, we recommend ...

- Engaging stakeholders in strategy development and goal setting, including leaders
- Creating a policy that establishes a SP program
- Providing financial resources to the SP program
- Nominating an individual to lead the work
- Tracking and reporting on progress
- Benchmarking your program against others
- Learning from your peers in cities, and other sectors
- Sharing your experiences and results.
Helpful Resources

- Sustainable Purchasing Leadership Council
- City of DC’s Sustainable Purchasing Program
- ISO 20400 Standard
- USDN / RPN Sustainable Procurement Playbook for Cities
- NASPO Green Purchasing Guides
- ICLEI Procura+
- US EPA EPP Program.
Thank you and stay in touch!

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