

# CITY OF PORTLAND SUSTAINABLE PROCUREMENT POLICY

## SEPTEMBER 2010 UPDATE

### 1. Purpose

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In accordance with the City of Portland Sustainable City Principles [1994] the City of Portland [the City] recognizes its responsibility to minimize negative impacts on human health and the environment while supporting a diverse, equitable, and vibrant community and economy. The City recognizes that the types of products and services the City buys have inherent social, human health, environmental and economic impacts, and that the City should make procurement decisions that embody the City's commitment to sustainability.

This Sustainable Procurement Policy is intended to:

- identify those sustainability factors that shall be incorporated into procurement decisions;
- provide implementation guidance;
- empower employees to be innovative and demonstrate leadership by incorporating sustainability factors into procurement decisions;
- complement Citywide and Bureau-specific sustainability goals and related policies; and
- communicate the City's commitment to sustainable procurement.

### 2. Policy

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#### 2.1 General Policy Statement

City employees will procure materials, products or services in a manner that integrates fiscal responsibility, social equity, and community and environmental stewardship.

#### 2.2 Sustainability Factors

City employees will incorporate the following factors when writing specifications for, or procuring, materials, products, or services.

Environmental factors to be considered include, but are not limited to, the life cycle assessment of:

- Pollutant releases
- Toxicity, especially the use of persistent, bioaccumulative, and toxic (PBT) chemicals
- Waste generation
- Greenhouse gas emissions
- Energy consumption
- Depletion of natural resources
- Impacts on biodiversity

Social equity factors to be considered include, but are not limited to:

- Human health impacts
- Use of local businesses
- Use of State of Oregon Certified Minority, Women, and Emerging Small Businesses

- Use of disabled veteran owned businesses

Fiscal factors to be considered include, but are not limited to:

- Use reduction; buy only what you really need
- Product performance and quality
- Life-cycle cost assessment; lowest total cost
- Leveraging buying power
- Impact on staff time and labor
- Long-term financial/market changes

While not all factors will be incorporated into every purchase, it is the intent of this policy that City employees will make a good faith effort to incorporate and balance these factors to the maximum extent possible.

### **2.3 Use of Best Practices**

City employees will utilize best practices in sustainable procurement as they evolve. As it applies to this policy, best practices in sustainable procurement are those that utilize leading edge sustainability factors, standards, and procedures in an efficient and effective way that is successful and replicable.

### **2.4 Toxics in Products and Services**

City employees will utilize the framework of the Precautionary Principle as a guide when evaluating the comparative toxicity of products and services.

### **2.5 Use of Social and Environmental Product or Service Labels**

City employees are encouraged to use independent, third-party social and/or environmental (eco) product or service label standards when writing specifications for, or procuring materials, products, or services, so long as such labels:

- Were developed and awarded by an impartial third-party;
- Were developed in a public, transparent, and broad stakeholder process; and
- Represent specific and meaningful leadership criteria for that product or service category.

In addition, whenever possible, label standards used in product or service specifications should represent standards that take into account multiple attributes and life-cycle considerations, with claims verified by an independent third-party.

### **2.6 Sustainable Procurement Standards**

#### **2.6.1 Citywide Sustainable Procurement Standards**

The City shall develop Citywide product and service-specific sustainability standards as best practices evolve. These Citywide standards will be developed by Procurement Services in cooperation with stakeholders and approved by the Chief Procurement Officer. Sustainable Procurement standards will incorporate related requirements from City policies, City Code, and other City product and service standards. All sustainable procurement standards will be posted on the employee website and incorporated into City procurement processes.

### **2.6.2 Building or Bureau Specific Sustainable Procurement Standards**

Bureaus or building facilities managers may develop Bureau or building specific sustainable procurement standards as applicable. Bureau or building specific sustainable procurement standards must meet or exceed any existing Citywide standards. Building or Bureau specific sustainable procurement standards shall be submitted to Procurement Services for posting to the employee website.

### **2.6.3 Sustainable Procurement Standards Compliance**

Employees making City procurement decisions are required to comply with the sustainable procurement standards approved by the Chief Procurement Officer. Upon request, exemptions to the sustainable procurement standards may be granted by the Chief Procurement Officer when product or service availability or other reasonable circumstances hinder compliance with the standards.

## **2.7 City Code and State Law**

It is the intent of this policy to complement City code and State laws.

## **3. Implementation and Responsibilities**

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### **3.1 Product and Service Standards**

City Bureau Directors shall be responsible for:

- Ensuring Bureau staff utilize sustainable procurement standards and best practices;
- Ensuring that Bureau staff will participate in the development of sustainable procurement standards as applicable to that Bureau;
- Encouraging pilot testing for environmentally preferable/sustainable products; and
- Ensuring applicable internal Bureau policies or procedures:
  - reference this policy and any sustainable procurement standards; and
  - incorporate the use of sustainable products and services that meet the intent of this policy.

The Chief Procurement Officer shall be responsible for:

- Providing resources to develop and coordinate product and service sustainable procurement standards;
- Providing resources for assisting Bureaus with best practices in sustainable procurement; and
- Posting sustainable procurement standards online for distribution to employees.

### **3.2 Specifications and Contracts**

City Bureau Directors shall be responsible for:

- Ensuring that specifications written by their Bureau comply with this policy and incorporate sustainable procurement standards and best practices.

The Chief Procurement Officer shall be responsible for:

- Ensuring procurement/contracting manuals and other internal procedures reference this policy and incorporate sustainable procurement standards and best practices;

- Ensuring that evaluation criteria for determining the responsibility of prospective contractors incorporate sustainability factors that meet the intent of this policy; and
- Developing and integrating sustainable procurement boilerplate language into solicitation document templates.

### **3.3 Education**

City Bureau Directors shall be responsible for:

- Building awareness of this policy and sustainable procurement standards through information dissemination and incorporation into routine employee trainings;
- Encouraging employee attendance at internal and external trainings related to sustainability; and
- Encouraging the use of environmentally preferable/sustainable products and services through information dissemination, development of internal procedures, pilot testing, and leading by example.

The Chief Procurement Officer shall be responsible for:

- Developing employee sustainable procurement resources such as, but not limited to, standards, specifications, tools, and best practices;
- Developing buyer-specific training on sustainable procurement best practices that meet the intent of this policy;
- Developing buyer competency in communicating to other City Bureaus about this policy and opportunities for incorporating sustainable procurement standards and best practices into solicitations and contracts;
- Developing inter-agency communication among public procurement professionals about sustainable procurement best practices; and
- Taking the lead in communicating to existing and potential contractors and the public about this policy and related City requirements.

### **3.4 Data Collection and Performance Reporting**

City Bureau Directors shall be responsible for:

- Cooperating in gathering information for the purposes of tracking, reporting, and evaluating the City's sustainable procurement activities; and
- Integrating Bureau-specific sustainable procurement goals into Bureau sustainability plans.

The Chief Procurement Officer and the Director of the Bureau of Planning and Sustainability shall be responsible for:

- Collaborating on data collection for the purpose of tracking and reporting on the City's sustainable procurement activities and evaluating the effectiveness of this policy.

The Chief Procurement Officer shall be responsible for:

- Issuing an annual or biennial progress report on sustainable procurement activities and the effectiveness of this policy. This report may be a stand-alone report or integrated into a larger Bureau of Procurement Services report.

### **3.5 Resources**

The City shall commit to providing the appropriate dedicated staff levels and related funding to support the implementation and coordination of this policy. This includes activities such as, but not limited to, employee training and resources, professional services, product/service pilot tests, and educational materials.

### **3.6 Policy Updates and Review**

The Chief Procurement Officer shall be responsible for periodically bringing together internal stakeholders to review this policy for updates or to otherwise determine whether this policy is in alignment with other City sustainability efforts and policies.

## **APPENDIX A: DEFINITIONS**

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“Biodiversity”: the total diversity of all organisms and ecosystems at various spatial scales (genes, populations, species, ecosystems, and biomes). Biodiversity is often used as a measure of the health of biological systems.

“Environmentally Preferable”: products or services that have a lesser or reduced effect on human health and the environment when compared with competing products or services that serve the same purpose. This comparison may consider raw materials acquisition, production, manufacturing, packaging, distribution, reuse, operation, maintenance, or disposal of the product or service.

“Life Cycle Assessment or Life Cycle Analysis (LCA)”: the comprehensive examination of a product’s environmental and economic effects throughout its lifetime including new material extraction, transportation, manufacturing, use, and disposal.

“Life Cycle Cost Assessment (LCCA)”: the comprehensive accounting of the total cost of ownership, including initial costs, energy and operational costs, longevity and efficacy of service, and disposal costs.

“Persistent, Bioaccumulative, and Toxic (PBT) Chemicals”: chemicals that are toxic, persist in the environment, and bioaccumulate in food chains.

“Precautionary Principle”: a framework that guides decision makers to take anticipatory and protective measures when an activity raises threats of harm to human health or the environment, even if some cause and effect relationships are not fully established scientifically.

“Sustainable Procurement”: purchasing materials, products, and services in a manner that integrates fiscal responsibility, social equity, and community and environmental stewardship.

“Toxicity”: the quality, relative degree, or specific degree of being toxic or poisonous.

## APPENDIX B: REFERENCES

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### Related City Resolutions, Ordinances, and Code as of April 2010

#### 1. City Code

- 5.33, 5.34, and 5.68: City Purchasing Code
- 5.33.080: Environmentally Preferable Procurement
- 3.100 Equal Employment Opportunity

#### 2. Resolutions

- Resolution 35338: *Adopt the City of Portland Sustainable City Principles that promote a sustainable future that meets today's needs without compromising the ability of future generations to meet their needs* (November 1994)
- Resolution No. 35879: *Local Action Plan on Global Warming* (April 2001)
- Resolution 35956: *Adopt City of Portland Green Building Policy and Portland LEED Green Building Rating System for implementation by all City Bureaus and Portland Development Commission* (January 2001)
- Resolution 36146: *Adopt City of Portland Sustainable Paper Use Policy and direct its implementation* (June 2003)
- Resolution 36260: *Create the City of Portland Local Business Initiative* (September 2004)
- Resolution 36310: *Green Building Policy Update* (April 2005)
- Resolution 36408: *Adopt the Toxics Reduction Strategy plan to minimize toxic substances of concern in government operations by using the Precautionary Principle* (May 2006)
- Resolution 36525: *Adopt the Portland Recycles! Plan and direct the Office of Sustainable Development to implement its recommendations* (August 2007)
- Resolution 36641: *Adopt the City of Portland Sweatshop Free Procurement Policy and Code of Conduct for Apparel Contractors* (October 2008)
- Resolution 36700: *Adopt a comprehensive update to the Green Building Policy for City government facilities to reflect advances in green building* (April 2009)
- Resolution 36748: *Adopt the joint City of Portland and Multnomah County Climate Action Plan to reduce local greenhouse gas emissions by 80 percent from 1990 levels by 2050* (October 2009)

#### 3. Ordinances

- Ordinance 180313: *Mandate minimum blends of biodiesel and ethanol in petroleum-based fuels sold in Portland and require city-owned vehicles to maximize use of renewable fuels* (June 2006)