

## Appendix I. Green Procurement Guidelines

### **Green Procurement**

The Green Procurement or environmentally preferable purchasing (EPP) is the practice of procuring products and services that are less harmful to the environment (land, air and water) and all species including humans that depend on environment for survival. Green Products are those that are made with less harmful materials or which are produced or which upon usage/consumption would have a minimal impact to the environment. Green Procurement policy aims to implement Thompson's environment policy in the following area of Procurement.

1. The City shall encourage and prefer Eco-friendly products which are more power efficient.
2. The City shall prefer to purchase from a source which is less polluting or uses Clean Technology
3. The City shall encourage and prefer vendors who use recycled packaging material. The possibilities of further reuse and or recycling shall be explored with the user or the administration department.
4. For Software products; as far as possible and to the extent feasible, the preferred mode of delivery shall be through the electronic method (download). A Server is proposed to be deployed which would host the most commonly required software. Instead of burning the CD-Media, secured access would be made available to the respective project team to down load the product from this common server.
5. The City shall make efforts to recycle material from old sites to practically possible extent.

From [http://www.bsdglobal.com/tools/bt\\_green\\_pro.asp](http://www.bsdglobal.com/tools/bt_green_pro.asp) comes the following guidelines on Green Procurement

The section of the site is modeled on a toolkit developed by the Manitoba Green Procurement Network (MGPN). For more information about green procurement or the MGPN, contact them at [jmaslowski@hsc.mb.ca](mailto:jmaslowski@hsc.mb.ca), or telephone (204) 787 2767.

Environmentally responsible or 'green' procurement is the selection of products and services that minimize environmental impacts. It requires a company or organization to carry out an assessment of the environmental consequences of a product at all the various stages of its lifecycle. This means considering the costs of securing raw materials, and manufacturing, transporting, storing, handling, using and disposing of the product.

Green procurement is rooted in the principle of pollution prevention, which strives to eliminate or to reduce risks to human health and the environment. It means evaluating purchases based on a variety of criteria, ranging from the necessity of the purchase in the first place to the options available for its eventual disposal.

Consumers, investors, shareholders and regulatory agencies are increasingly demanding that organizations behave in an environmentally responsible manner. Practising green procurement demonstrates an organization's commitment to considering and minimizing the environmental consequences of its activities. It thus makes both environmental and economic sense.

Green products are generally produced in a manner that consumes less natural resources or uses them more sustainably, as with sustainable forestry. They may involve less energy in their manufacture and may consume less energy when being used, and they generally contain fewer hazardous or toxic materials.

Green products are also generally designed with the intention of reducing the amount of waste created. For example, they may contain recycled material or use less packaging, and the supplier may operate a 'take-back' programme.

Green procurement can also offer cost savings. In particular, buying 'green' usually involves products that are easily recycled, last longer or produce less waste. Money is therefore saved on waste disposal. In addition, green products generally require fewer resources to manufacture and operate, so savings can be made on energy, water, fuel and other natural resources.

Moreover, green products generally involve fewer toxic or hazardous materials, reducing associated expenses such as permit fees, toxic materials handling charges and staff training.

Organizations often require a green procurement programme as part of their environmental management systems, as certified under the EMAS and ISO 14001 regimes. In addition, new regulations increasingly require the adoption of green procurement practices. The Sustainable Development Act in Manitoba, for example, requires all publicly funded organizations to integrate procurement guidelines into their daily operating practices.

Meeting these and other environmental regulations is easier for organizations that already practice green procurement.

Green procurement also has benefits for health and safety, both of workplaces and of the wider community.

Organizations that practice green procurement will also be recognized as good 'corporate citizens', and influence those around them. As markets gradually change, the availability of green products will increase and prices will fall.

## Challenges to green procurement

1. Price: There is a perception that green products are more expensive than conventional alternatives. This is true in some cases, particularly where development costs are reflected in the price; however, often there is no significant difference. The real problem may simply be that products are being ordered in small quantities, or are not available locally.

Sometimes a green product may have a higher up-front purchase price, but will cost less over its lifetime. For example, a non-toxic alternative to a toxic product will cost less to transport, store, handle, and discard. It will require fewer permits, less training for staff, and the consequences of an accident will be greatly reduced.

Similarly, a product that uses less packaging and that is easily recyclable or reusable will carry a lower disposal cost.

2. Lack of corporate commitment: For an organization to implement a green procurement programme, it must have commitment from all levels, including senior management and purchasing agents. A policy statement outlining the corporate commitment to green procurement can help.

3. Insufficient knowledge: Many organizations are unfamiliar with the concept of green procurement or with the options available to them. For an organization to participate, it must have an understanding of concepts, vocabulary and terms.

4. Availability: Frequently, local distributors do not stock green products, or else they stock only small quantities. This can lead to delays in obtaining the product. Increasing market demand will help to overcome this obstacle.

5. No acceptable alternative: Another barrier to green purchasing can be simply a lack of acceptable alternatives to the present product. For example, a few years ago in the furniture manufacturing industry, the use of water-based finishes as an alternative to solvent-based ones was impeded by the fact that water-based finishes presented technical difficulties which were costly to overcome, and were of lower quality. Growing demand for will stimulate the development of new and better 'green' products.

6. No specifications: It is important that suppliers be asked to provide the environmental specifications of the products they are offering. Purchasers, in the same way, must clearly define their needs and requirements.

7. Purchasing habits: 'We've always done it this way' can be a difficult mentality to overcome. There may also be existing relationships between purchasers and suppliers that make it difficult to switch to alternatives.

## Implementing a green procurement programme

The steps involved in implementing a green procurement programme are outlined here. It is not comprehensive, but rather is intended to provide an overview.

1. Organizational support: Implementing a green procurement programme means changing policies and procedures. For it to be successful, it is essential that management support the initiative fully. In addition, those charged with making purchasing decisions must be involved in the implementation process. Their suggestions and support are critical.
2. Self-evaluation: An important step in implementing green procurement is conducting an evaluation of present purchasing practices. This process will help to clarify what is purchased, in what quantities, from where and at what price. The evaluation will provide a baseline, in order to measure future success and to focus the development of green procurement goals.
3. Set goals: A broad policy should be established, and specific priorities and targets set.
4. Develop a strategy: It is now time to identify and implement changes, both short and long-term, identify suitable products and services, and evaluate the environmental performance of suppliers.
5. Run a pilot project: A pilot project can provide practical experience in purchasing green products and services, by applying green procurement principles to a specific product or service. Pilot projects can be used to generate more detailed guidance on purchasing practices.
6. Implementation: Implementing the green procurement programme will require an assignment of accountability, plus a well designed communications plan addressing employees, customers, investors, suppliers and the public.
7. Sustainment: As with all business practices, it is important that a systematic review of the green procurement programme be carried out, in order to establish whether the scheme is meeting its goals and objectives. The review should take into account changing environmental goals.

'Implementing a green procurement programme' is modeled on the Canadian standard for ['Environmentally Responsible Procurement'](#), CSA Z766-95, issued by the Canadian Standards Association.

## **Green Procurement: Resources**

- [The 100% Recycled Paperboard Alliance](#) - A group of manufacturers of cardboard packaging materials made from 100% recycled materials
- [The Consumer's Choice Council](#) - Lobbying papers produced by the CCC arguing for green procurement policies
- [The Ethical Trading Initiative](#) - An alliance of businesses, NGOs and trade unions committed to the ethical sourcing of products and services
- [Going Green... Upstream](#) - Report on supply chain environmental management (SCEM), based on interviews with around 40 SCEM experts from a range of industries
- [International Business Leaders Forum work on supply chains](#) - Projects on ethical sourcing currently under way at the International Business Leaders Forum
- [USEPA Environmentally Preferable Purchasing](#) - Information and advice on green procurement for government agencies