



CITY PROCEDURE

POLICY NUMBER: C556

AUTHORITY: City Manager

EFFECTIVE DATE:

TITLE: **Sustainable Purchasing**

PREPARED BY: Corporate Services Department

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1) DEFINITIONS

AIT – The Agreement on Internal Trade is an intergovernmental agreement between the Federal Government and the Provinces and Territories to reduce and eliminate barriers to the free movement of people, goods, services and investments within Canada.

Carbon Neutrality – Counteracting the release of carbon dioxide; achieving net zero carbon emissions by balancing a measured amount of carbon released with an equivalent amount sequestered or offset.

Construction – A construction, reconstruction, demolition, repair or renovation of a building, structure, road or other engineering or architectural work.

Corrective Action Plan – A plan that is designed to remedy non-compliance with the social, ethical and environmental standards in the Supplier Code of Conduct.

Environmentally Preferred – Means goods, services and construction that have less impact on the environment and human health over their life cycle when compared to competing goods, services and construction serving the same purpose, where health, safety and other standards are met. Goods, services and construction may or may not be certified by a recognised third party.

Environmental Management System – Part of an organization's management system used to develop and implement its environmental policy and manage environmental aspects.

Environmentally Sustainable Community – A community that provides a healthy ecosystem for its citizens by minimizing the impact of its activities on the air, land and water systems while reducing the need to import natural resources and maximizing biodiversity.

Ethically Preferred – Means goods, services and construction that are produced or delivered under conditions that meet or exceed the standards outlined in the Supplier Code of Conduct. Goods, services and construction may or may not be certified by a recognised third party.

Factories or Production Facilities – Factories producing goods for the City of Edmonton, whether it is a supplier's factory or subcontractor's facility.



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Goods – Materials, furniture, merchandise, equipment, stationery and other supplies required by a Department for the transaction of its business and affairs and may include services that are incidental to the provision of such goods.

International Labour Organization (ILO) – The United Nations specialized agency which seeks the promotion of social justice and internationally recognized human and labour rights. The ILO formulates international labour standards in the form of Conventions and Recommendations setting minimum standards of basic labour rights.

ILO Core Labour Conventions – A selection of ILO conventions that support the Universal Declaration of Human Rights and prohibit the worst forms of child labour and unfair labour practices.

Procurement – Refers to the process by which the City acquires required goods, services and construction.

Services – The delivery of a service required by the City for the transaction of its business and affairs, but does not include services provided by a contractor of the City through a personal services contract.

Subcontractors – Companies that have been sub-contracted by City Suppliers to manufacture goods or supply services to the City but do not have a direct business relationship with the City.

Suppliers – Companies that have a direct business relationship with the City, supplying goods, services or construction.

Supplier Code of Conduct – A set of minimum standards related to working conditions and human rights based on those outlined by the International Labour Organization Core Labour Conventions (ILO) as well as any applicable Canadian labour laws or employment standards.

Sustainability – Forms of progress that meet the social, environmental and economic needs of the present without compromising the ability of future generations to meet their needs.

Sustainability Purchasing – The process by which organizations buying goods, services and construction take into account the economic value of the good or service while also considering the environmental, social and ethical impacts of the good or service.

Total Cost of Ownership / Life Cycle Cost – A determination of the direct financial costs and benefits to the City of goods, services and construction throughout their



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acquisition, use and end-of-life phases including factors such as transportation costs, training, energy consumption, maintenance, recycling & disposal and other related costs.

True Cost – Generally, when assessing the ‘true cost’ of a product or service the social, economic, and environmental costs and benefits of the purchase are all considered. This means quantifying the costs and benefits of goods, services and construction over their lifecycle, to the extent that can be estimated.

TILMA – The Trade, Investment, Labour Mobility Agreement is an accord between the Government of Alberta and the Government of British Columbia to create a more open, competitive economy of goods, services and people.

Zero Waste – A philosophy that encourages the redesign of resource life cycles so that all goods are reused. Any trash sent to landfills is minimal.

2) PROCEDURES

a) Materials Management Branch

- i) Lead the implementation of this Policy using a continuous improvement process and phasing application of the policy over time to eventually apply to the purchase of all goods, services and construction by City Departments.
- ii) Develop and maintain implementation toolkit resources including standard tender clauses, evaluation matrices, education and training materials and supports.
- iii) Update and maintain a complaints process for the handling of any complaints received pursuant to this Policy, and act as a point of contact for the City throughout the complaints process.
- iv) Ensure that applicable procurement documents contain the appropriate sustainability criteria, Supplier Code of Conduct and any required custom specifications in order to meet the spirit of this policy and the implementation plan.
- v) Work collaboratively with Departments to provide training and guidance related to the implementation of this Policy.
- vi) Work with Departments and Supplier(s), as appropriate, to develop and approve Supplier Corrective Action Plans that address non-compliance of the



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social, ethical and environmental standards outlined in the Supplier Code of Conduct.

- vii) Review and update the Policy and the Supplier Code of Conduct on a regular basis.
- viii) Monitor the application of Policy and the related Supplier Code of Conduct.
- ix) Report periodically on the progress of the Policy implementation any related performance measures.

b) All City Departments and Office of the City Auditor

- i) Individuals with delegated authority to approve contracts for the purpose of procurement, and also those with assigned purchasing responsibility, will apply the principles outlined in the Sustainable Purchasing Policy and any tools and procedures created under the Sustainable Purchasing Policy to all purchasing activities in accordance with the implementation plan.
- ii) Where applicable, integrate Sustainable Purchasing Policy with department/branch purchasing processes, such as the City's Environmental Management Systems.
- iii) Notify Materials Management of any Supplier non-compliance to the Sustainable Purchasing Policy and related Supplier Code of Conduct. Work with Materials Management and Supplier(s), as appropriate, to develop and approve Supplier Corrective Action Plans that address non-compliance of the social, ethical and environmental standards outlined in the Supplier Code of Conduct.
- iv) Assist with monitoring and reporting of Sustainable Purchasing Policy implementation and performance measures, where necessary.
- v) Identify and pursue opportunities to reduce consumption and align operations with corporate demand management strategies (e.g. PaperLESS Strategy), wherever practicable.



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3) IMPLEMENTATION FRAMEWORK

- a) Employees will work to identify and apply specifications to increase the sustainability performance of goods, services and construction purchased by the City by bringing forward ideas, information and recommendations to Departmental procurement stakeholders, including recommendations related to demand management and reducing overall consumption where practical.
- b) As appropriate, employees will embed specific sustainability considerations into the City's purchasing processes by:
 - i) Assessing whether or not the product, service or construction is necessary, prior to initiating the procurement process.
 - ii) Assessing the Total Cost of Ownership or the True Cost of the product or service, wherever practicable.
 - iii) Ensure Suppliers and Subcontractors to the City meet, at a minimum, the performance standards outlined in the Supplier Code of Conduct.
- c) As appropriate, employees will include the Supplier Code of Conduct as a mandatory component of the Supplier evaluation process and in doing so the City will:
 - i) Rely on a combination of approved third-party independent audits and certifications, and supplier disclosures of information about factory and production facilities, to ensure that Suppliers comply with the Supplier Code of Conduct.
 - ii) Evaluate and accept on a case-by-case basis any instances where it is reasonably determined by the City that Supplier practices may differ from policy, so long as the purpose and spirit of the policy is always upheld, and will determine the level and degree necessary to investigate and act upon complaints of non-compliance.
 - iii) Reserve the right to discontinue business with Suppliers who are not responsive to requests to address concerns around workplace practices and instances of non-compliance with the Supplier Code of Conduct.
- d) As appropriate, employees will give preference to goods, services and construction that:



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- i) Are Environmentally Preferred and Carbon Neutral or minimize green house gas emissions or have other desirable environmental features.
- ii) Meet third-party environmental standards and certifications. When third-party environmental standards and certifications are not available, Supplier declarations of environmental attributes will be considered.
- iii) Advance the social and economic objectives of the City.
- e) As appropriate, work collaboratively with Suppliers to advance environmental performance of goods, construction and services.
- f) As appropriate, work collaboratively with Suppliers to implement Corrective Action Plans to ensure compliance with the Sustainable Purchasing Policy and related Supplier Code of Conduct.
- g) As appropriate, reward leadership and innovation among Suppliers who contribute to healthy, respectful and inclusive workplaces and who demonstrate environmental stewardship.

4) EXEMPTION

Nothing in this Policy will be construed as requiring the purchase of goods, services and construction that do not perform up to the operating specifications or requirements of the issuing Department or are not available at a commercially competitive cost.