

2023

A QUICK GLANCE AT *SUSTAINABLE PUBLIC PROCUREMENT*

SETTING YOUR ORGANIZATION UP FOR SUCCESS

ICLEI – LOCAL GOVERNMENTS
FOR SUSTAINABILITY USA

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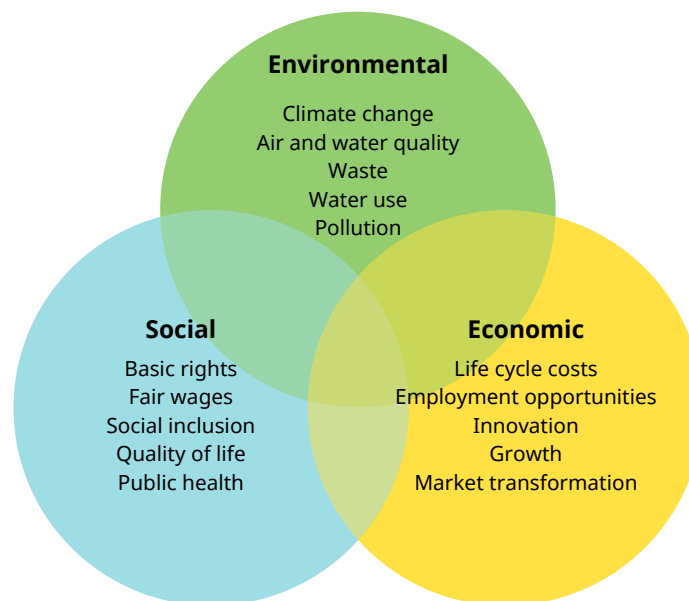
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WHAT IS SUSTAINABLE PUBLIC PROCUREMENT

Sustainable public procurement (SPP) is an important tool for local governments to leverage to advance sustainability and climate action and achieve ambitious goals. When implemented using a holistic approach, SPP can generate social and economic benefits in communities related to fair wages, accessibility, social inclusion, employment rates, job growth, local innovation, and decreased life cycle costs.

SPP, sometimes referred to as sustainable purchasing, green purchasing, or environmentally friendly purchasing, is not unfamiliar to many local governments. These policies have gained traction over the past two decades; however, many adopted policies and programs have *failed to launch* in the implementation phase.

This is likely due to a need for clarity around roles and responsibilities to implement and track progress related to the policy, in addition to cost concerns over the implementation of such a policy. The Institute for Public Procurement (NIGP) published a paper in 2019 that analyzed sustainable procurement trends across approximately 420 local governments. The study indicated that only 2% of participants had dedicated staff to advance sustainable public procurement [1].



Sustainable Public Procurement Impact Areas

[1] <https://www.nigp.org/resource/research-papers/2019%20Local%20Government%20Entity%20Sustainable%20Procurement%20Study.pdf?dl=true>

APPROACHING SUSTAINABLE PUBLIC PROCUREMENT IN YOUR ORGANIZATION

A holistic approach to SPP means systematically integrating sustainability considerations into the procurement process, whether purchasing goods or services, regardless of the contract or form of procurement procedure followed. This is often done through the adoption of a Sustainable Public Procurement Policy. Developing a robust policy can be a daunting step to take and an effort that is more likely to succeed in the implementation stage if led collaboratively by climate or sustainability staff and procurement staff.

Having procurement staff engaged from the onset ensures leveraging the procurers' expertise to evaluate trade-offs between benefits in one category and costs in another. Engaging climate staff will help integrate approaches that generate multiple benefits related to emissions reductions, user well-being, market transitions for a more circular economy, and more. Additional staff to consider engaging early in the process are those working on economic development and diversity, equity, inclusion, and accessibility (DEIA).

Approaching the entire policy development process collaboratively will guarantee that the connections between the policy's environmental, social, and economic aspects are well understood so that gains achieved in one area do not come at an unacceptable cost in another area.



DEVELOPING A SUSTAINABLE PUBLIC PROCUREMENT POLICY

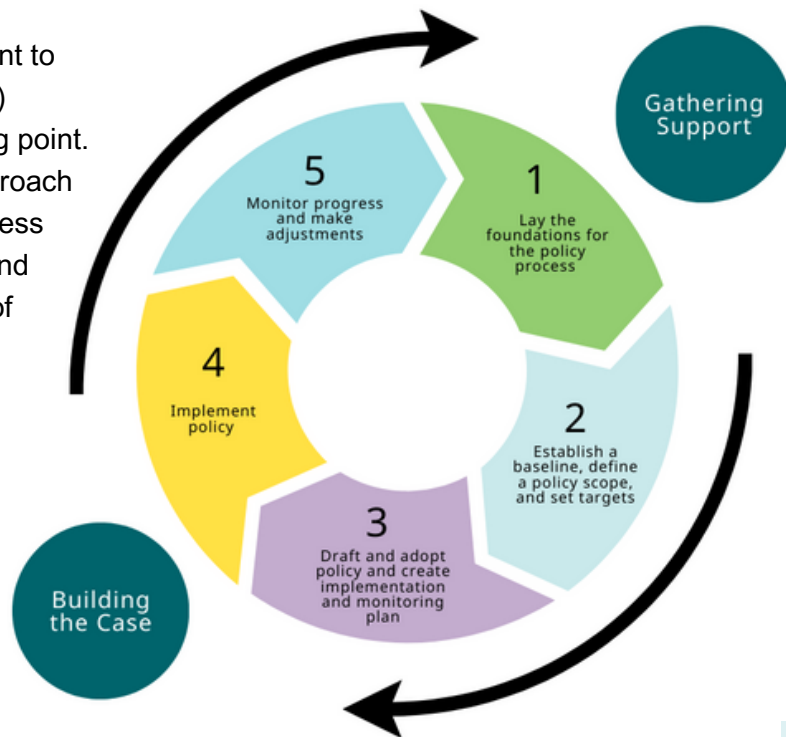
Before you get started...

Build the case by showing how the organization would benefit from formally implementing a comprehensive sustainable procurement policy. Some questions to seek to answer in this exploratory step include:

- What are the benefits of sustainable procurement for our organization and our community? Are there cost savings and return on investment potentials?
- What are the existing policies we have related to this project? What are we already doing?
- Does this work in practice, and what are some real-life examples (the case studies provided in this document are a good place to start!)?
- How is procurement organized, and who needs to be involved from start to finish?

Gather support for a comprehensive sustainable procurement policy from elected leaders and management. This may be in the form of a commitment to implementing sustainable procurement within a related policy or as a stand-alone sustainable procurement policy. It is helpful to consider where your organization currently is regarding sustainable procurement and sustainability policies in general and where it wants to go.

Linking sustainable procurement to broader sustainability (or other) policies can be a useful starting point. Ultimately, a holistic policy approach is the goal; otherwise, the process tends to be rather piecemeal and based on the personal efforts of certain staff members.



Developing a Sustainable Public Procurement Policy

Once you've built the case and gathered support...

Follow these steps for a comprehensive approach to SPP by adopting an organization-wide policy.



Step 1 — Lay the foundations for the policy process

- Invite all those with purchasing responsibilities to participate in the policy process.
- Consider high-level sustainability/climate action training for procurement staff developing policy.
- Consider procurement foundations training for climate and sustainability staff developing policy.



Step 2 — Establish a baseline, define a policy scope, and set targets

- Your baseline assessment should include answers to questions about the overall procurement process, procurement within each sector to be included in the policy, and current performance metrics tracked by procurement.
- Consider conducting a supply-chain emissions inventory to prioritize and focus on the policy.
- **Key sectors to consider:** construction, information and technology, cleaning, food and catering, vehicles, and electricity.
- **Factors to consider when defining the scope:** environmental, social, and economic priorities; budgetary importance of certain product/service groups; level of skills and resources available for implementation; existing experience in procurement sustainability; significant contract renewals; market availability and cost of alternative products and services; and political or legal considerations, such as state or national legislation.
- Be sure to set **SMART** (specific, measurable, achievable, relevant, and time-related) targets.
 - For example, by 2025, ensure 100% of newly purchased fleet vehicles are zero emission.



Step 3 — Draft and adopt SPP policy and create an Implementation and Monitoring Plan

- **The policy should clearly state the following:**
 - Who will be responsible for the overall coordination of sustainable procurement efforts? Responsibility for coordinating all activities and ensuring declared targets are met should be allocated to one person.
 - Who will be responsible for the actual implementation? The Implementation and Monitoring Plan should outline specific tasks and allocate clear responsibility for carrying these out. The process of preparing environmental/social purchasing specifications will likely require the expert input of several people (especially the sustainability/climate staff and procurement officers). **The final responsibility for ensuring actual implementation should rest with the procurers.**



Step 4 — Implement SPP policy

- Conducting regular updates of the action plan progress will help to both ensure it is on track to meet the policy targets and encourage those tasked with its implementation to continue to include sustainability in their procurement.
- Meetings with the procurement, management, and dedicated sustainability/climate teams should be held periodically. The meetings should review progress made, challenges and potential solutions, and successes to build upon.

Developing a Sustainable Public Procurement Policy



Step 5 — Monitor progress and make adjustments

- This step will assess whether the targets previously set by your organization have actually been achieved, identify any challenges encountered, and develop solutions.
- This process should encompass:
 - A review of progress towards the targets set using the monitoring data collected by the systems established in Step 2;
 - An internal review to evaluate the actions implemented and the targets set; and
 - Communication of results to internal and external stakeholders.
- The review process represents the end of the first cycle. At that point, you should return to Step 1 and reassess the scope and targets of your strategy.

Climate Cohort Case Study:

The City of Pittsburgh Revamps Former Purchasing Policy

The City of Pittsburgh was one of the early adopters of an Environmentally Preferred Purchases ordinance. In 2021, the City reevaluated its 2010 purchasing policy to align it with its current Sustainable Development Goal of buying local, buying sustainable, buying ethical, and buying circular. The Sustainable and Socially Responsible Procurement Ordinance codified the City's procurement practices, ensuring that tax dollars are used to support environmentally and socially responsible vendors. The ordinance outlined several key policy changes with the intent to introduce additional sustainability standards that support the City's climate action goals:

- Tasks the Division of Sustainability and Resilience (SR) to provide the Office of Management and Budget (OMB) with updated sustainable and socially responsible purchasing guidelines by which they should evaluate vendors;
- Adds reduction in transportation distance, repurposing of products, and other factors for staff to use when reviewing proposals;
- Requires some vendors to include a Sustainability, Diversity, and Inclusion profile in their responses to RFPs and ITQs;
- Updates sections of Code related to paper products, electronics, lighting, furniture, and office supplies to match modern environmental standards;
- Eliminates Styrofoam and single-use plastics from City procurement, whenever practicable;
- Charges OMB and Department of City Planning (DCP) to create a public-facing website to track the City's progress toward purchasing goals;
- Requires SR to educate City staff in an ongoing manner on environmental issues.

Pittsburgh's approach to updating its procurement practices was collaborative, holistic, led by procurement professionals, and established a monitoring framework for achieving goals. The City's Sustainable Procurement Targets can be viewed on the [Global Lead City Network on the Sustainable Procurement website](#). Pittsburgh's fully codified Sustainable and Socially Responsible Procurement Ordinance can be viewed in its [Code of Ordinances](#) under Title 1: Article VII.