



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** John Stufflebean  
Scott P. Johnson

**SUBJECT:** SEE BELOW

**DATE:** March 8, 2007

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Approved Deanna Jafna Date 3/8/07

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**SUBJECT: 2006 ENVIRONMENTALLY PREFERABLE PROCUREMENT ANNUAL REPORT AND REVISED ENVIRONMENTALLY PREFERABLE PROCUREMENT POLICY**

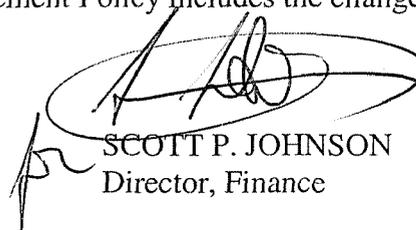
## RECOMMENDATION

1. Accept the 2006 Environmentally Preferable Procurement Annual Report.
2. Approve revisions to Council Policy 4-6 Environmentally Preferable Procurement.

## ANALYSIS

At the Transportation and Environment Committee Meeting of March 5, 2007, the committee accepted the 2006 Environmentally Preferable Procurement Annual Report and directed revision of the Environmentally Preferable Procurement Policy as submitted by staff. The Committee directed staff to change the review period from the proposed five years to three years. The attached Environmentally Preferable Procurement Policy includes the change.

  
JOHN STUFFLEBEAN  
Director, Environmental Services

  
SCOTT P. JOHNSON  
Director, Finance

For questions please contact Walter C. Rossmann, Chief Purchasing Officers, at (408) 535-7051.

Attachment



# Memorandum

**TO: TRANSPORTATION &  
ENVIRONMENT COMMITTEE**

**FROM: John Stufflebean  
Scott P. Johnson**

**SUBJECT: SEE BELOW**

**DATE: February 26, 2007**

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Approved

Date

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**COUNCIL DISTRICT: Citywide**

**SUBJECT: ENVIRONMENTALLY PREFERABLE PROCUREMENT ANNUAL  
REPORT FOR 2006 AND REVISIONS TO COUNCIL POLICY 4-6  
ENVIRONMENTALLY PREFERABLE PROCUREMENT**

## **RECOMMENDATIONS**

1. Accept the 2006 Environmentally Preferable Procurement Annual Report;
2. Accept revisions to Council Policy 4-6 Environmentally Preferable Procurement and forward to the City Council for approval.

## **OUTCOME**

Approval of the revised Environmentally Preferable Procurement Policy (EP<sup>3</sup>) will assist the City to comply with the United Nations Urban Environmental Accords and several other City and Council policies as well as ensure that applications for grants submitted to the California Integrated Waste Management Board are eligible for the full score (up to 15%) for a recycled-content procurement policy.

## **BACKGROUND**

In 1990, the City Council adopted Council Policy 4-4 on Source Reduction and Recycling Procurement. This policy supported the City's new recycling programs by reinforcing the City's public outreach and by helping to establish markets for recycled materials, especially paper. The City Council adopted the Environmentally Preferable Procurement Policy in 2001.

The EP<sup>3</sup> expanded environmental considerations in procurement beyond recycling and the reduction of solid waste and toxics by addressing energy conservation, water conservation, and life cycle analysis.

These policies allowed the City to successfully compete for grants from the California Integrated Waste Management Board (CIWMB) and other agencies issuing grants for reuse of materials, sustainable building, or Tire Recycling, Cleanup, and Enforcement Grants. For example, the CIWMB requires that 15% of the points in grant award decisions be based on a formal recycled content procurement policy and a report on its implementation to ensure that agencies not only divert materials from the waste stream but also purchase products which contain recycled materials.

In 2005, upon City Council approval, the City became a signatory to the United Nations Urban Environmental Accords. Other City policies which support EP<sup>3</sup> include the Sustainable City Policy of the General Plan, Pollution Prevention Policy, Green Building Policy, and Source Reduction and Recycling Procurement Policy.

The Source Reduction and Recycling Procurement Policy and EP<sup>3</sup> require submittal of annual reports to Council, which have been combined since 2002.

## ANALYSIS

This memorandum transmits a proposed revised Environmentally Preferable Procurement Policy (Attachment A), detailing the changes to the policy, and the 2006 Environmentally Preferable Procurement Annual Report (Attachment B).

### *Environmentally Preferable Procurement Policy*

The purpose of the EP<sup>3</sup> is to set a standard of environmentally preferable procurement (green purchasing) and demonstrate the City's commitment to environmental, economic, and social stewardship. Continuing implementation of the EP<sup>3</sup> provides the City of San José a unique opportunity to further expand its leadership in the area of environmentally preferable purchasing and, through its actions, elicit changes in the marketplace. By further incorporating environmental considerations into public purchasing, the City of San José will positively impact human health and the environment, remove unnecessary hazards from its operations, reduce costs and liabilities, fulfill its commitments under the United Nations Urban Environmental Accords, and improve the environmental quality of the region. This policy will guide the City's effort in procuring environmentally preferable products and services.

The changes proposed in the revised EP<sup>3</sup> are as follows:

- Policy language encouraging suppliers of goods and services to consider environmental impacts has been changed to requiring City contractors and grantees to conform to the EP<sup>3</sup> as they have been required to the recycled-content standards of the original Source Reduction and Recycling Procurement Policy since 1990.
- Policy language was added to provide for locally grown, organic food in City facilities in support of Action 17 of the United Nations Urban Environmental Accords, which requires that 20% of all City facilities (including schools) serve local and organic food within seven years of adoption.
- Policy language was added to purchase non-public safety vehicles for the fleet that provide, whenever practicable, the best available net reduction in vehicle fleet emissions, and to identify reduced fuel consumption as an environmentally preferable attribute to consider in procurement decisions.
- The Leadership in Energy and Environmental Design (LEED) Green Building Rating System was included in the definitions and an implementation guideline was introduced requiring that all new City-funded buildings and major renovations utilize materials and building systems that will help facilitate future LEED certification.
- References to the Purchasing Division have been updated to reflect the organizational change to the Department of Finance.

During 2007, the Departments of Environmental Services and Finance will discuss the impact of the revised policy with the Redevelopment Agency and consideration of the policy by the Redevelopment Agency Board.

The request to approve and forward for Council consideration the proposed revisions to Council Policy 4-6 Environmentally Preferable Procurement satisfies the Policy requirement to review and suggest changes triennially.

#### 2006 Environmentally Preferable Procurement Annual Report

The 2006 Environmentally Preferable Procurement Annual Report informs the Transportation and Environment Committee of EPP actions and activities over the past year and satisfies the requirement for providing an annual report. The report highlights the achievements in the "Green Purchasing" field for calendar year 2006, including the use of the latest EPP standard for Computers in City procurements, the results of the EPP Visioning Workshop, and the focus for the City's EPP team for 2007.

#### POLICY ALTERNATIVES

Not applicable.

### PUBLIC OUTREACH/INTEREST

- Criteria 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criteria 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criteria 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

This report will be posted on the City's website for the March 5 Transportation and Environment Committee meeting.

### COORDINATION

This memorandum has been coordinated with the City Manager's Office, the City Attorney's Office, and the Redevelopment Agency.

### FISCAL/POLICY ALIGNMENT

This memorandum aligns with the Council Policy titled "Environmentally Preferable Procurement Policy", dated September 25, 2001.

### COST SUMMARY/IMPLICATIONS

Not applicable.

### BUDGET REFERENCE

Not applicable.

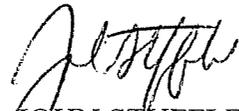
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**Subject: 2006 Environmentally Preferable Procurement Annual Report**

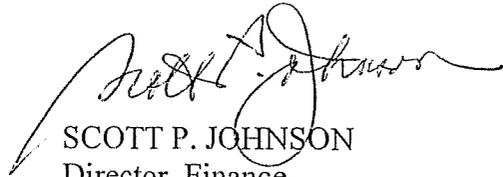
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**CEQA**

Not a project.



JOHN STUFFLEBEAN  
Director, Environmental Services



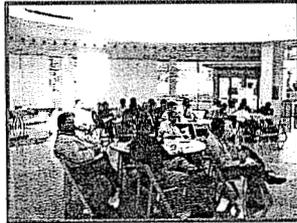
SCOTT P. JOHNSON  
Director, Finance

For questions please contact Walter C. Rossman, Chief Purchasing Officer, at (408) 535-7051.

Attachments:

Revised Environmentally Preferable Procurement Policy  
2006 Environmentally Preferable Procurement Annual Report

# Environmentally Preferable Procurement



Vision Workshop



iodiesel



Battery Recycling



Air Fresheners

Annual  
Report  
2006

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## A. Introduction

### 1. Background on Environmentally Preferable Procurement

The City of San José has been a leader in Recycling since the inception of the curbside recycling program in the late 1980s. Council Policy 4.4 Source Reduction and Recycling Procurement was passed in 1990 providing a framework for recycling wherever possible and purchasing recycled products. The introduction of Recycle@Work, a citywide recycling program in City facilities, changed staff behaviors through the substitution of small "eco-cans" for traditional garbage cans and the added requirement for staff to dump their own recycled paper and garbage into centralized large bins. While there was initial resistance, the program has been highly successful and has resulted in beneficial attitudinal changes toward the generation of waste. These changes have been evident in the positive attitude in which staff readily adopted additional recycling for toner cartridges, fluorescent bulbs, and computers as these were made available. In 2006, a program of disposable battery recycling was added and its adoption by staff has been well received.

In the late 1990s, as recycling became integrated into regular City staff practices, the City increased its efforts to close the recycling loop by actively searching for recycled products that could replace virgin products without a loss of performance as

well as looking for products with minimal negative effects on the environment. At the same time, the Environmental Movement expanded its scope by recognizing the power of the free market in determining product availability or price and Environmentally Preferable Procurement (EPP) was born. The idea that organizations could use their purchasing power to affect the market quickly became accepted and the City of San José began to pay attention to the environmental impacts of some of the items it purchased.

Besides mandating recycled content in all paper used by the City, City staff partnered with the City's office supply vendor, Boise Cascade (now Office Max), to block the purchase of non-environmental products, if an environmental alternative was available. This partnership not only incorporated recycled product alternatives, but also looked for opportunities to eliminate environmentally negative products such as fluorescent papers which interfered with recycling paper economically at the end of its lifecycle. This effort began the City's transition from Recycling supporter to the more inclusive Environmentally Preferable Procurement advocated and led to the successful passing of Council Policy 4.6 Environmentally Preferable Procurement in 2001. This was the first EPP Policy for a large City in California, among the first in the country, was adopted by Santa Clara County, and it has been used as a model for many similar policies in jurisdictions around the United States.

## 2. Overview of the 2006 EPP Annual Report

The City of San José's Environmentally Preferable Procurement (EPP) efforts are led by a steering committee with staff from Environmental Services and Finance. The Steering Committee's current members are:

- Claire Boswell, ESD Policy and Planning
- Ken Davies, ESD Policy and Planning (Environmental Management System)
- Jessie Denver, ESD Technical Services (Regulations and Research)
- Michael Foster – ESD Policy and Planning (Green Building)
- Co-Chair Gay Gale – Finance/Purchasing
- Skip Lacaze, ESD Integrated Waste Management (Civic Services)
- Co-Chair Linden Skjeie – ESD Policy and Planning (Business Initiatives)
- Walter Rossmann – Finance/Purchasing

Three major drivers provided impetus and focus for the EPP Steering Committee's efforts during 2006. These pivotal forces were:

1. the City of San José becoming a signatory to the United Nations Urban Environmental Accord in 2005
2. the requirement to revise the Environmentally Preferable Procurement Policy adopted by Council adopted in 2001
3. an EPP Vision Workshop for City staff

To address these major drivers, Environmentally Preferable Procurement activities in 2006 were organized in four core areas:

- Awareness and Training
- Procedures and Products
- Research and Testing
- Planning and Collaboration

Activities undertaken in these four areas during 2006 are described in the next section of this report.

The final portion of the Annual Report highlights the direction and objectives for 2007. It is anticipated that Actions for the current year will further the work done in the four core areas in 2006, focus on the ideas discussed at the Vision Workshop, and begin the strategic planning process for implementation of the revised EPP Policy.

## B. 2006 Activities

As discussed in the previous section, the 2006 Activities are summarized in four core areas starting with Awareness and Training, followed by Procedures and Products, Research and Testing, and Planning and Collaboration.

### 1. Awareness and Training

#### *For members of the Public and Vendors*

Raising awareness of EPP and the City of San José's commitment to this important area for vendors and members of the public was done by adding to and updating EPP information on the Environmental Services and Finance/Purchasing internet webpages.

In addition, presentations to members of the public included EPP information whenever appropriate. ESD's "Green" Brown bag series of lunchtime seminars as well as Green Building and Green Business information meetings often provided opportunities to link the content and commitment to the EPP Policy and activities.

## 2006 Environmentally Preferable Procurement Annual Report

### ***For City Staff***

EPP information was included in New Employee Orientation packets for the first time in 2006 linking the City's Recycle@Work program to broader EPP directions. Presentations by the Chief Purchasing Officer at the Supervision and Leadership Academy and the Procurement Card training sessions also provided an opportunity for mentioning the City's commitment to Environmentally Preferable Procurement.

One of the most promising developments of 2006 was a use of technology that allowed the completion of a new training called WebCheck which is targeted at raising the EPP awareness of all staff who purchase non-technology goods and services through the Purchasing requisition process. In 2005, staff developed the "WebCheck Search" process which outlines the steps for using the internet to search for environmentally preferable products, services or contract language. While "WebCheck Search" was a terrific way for staff to find EPP alternatives, there was no way to capture the fact that the search had been done or impact of the search. In 2006, EPP staff with assistance from staff at Planning Building Code Enforcement (PBCE) created "WebCheck Report" to compile WebCheck Search information using Survey Solutions, a data capture software that the City had previously purchased. Procedures were developed and shared with Purchasing staff and ESD management.

The Environmental Services Department will be piloting WebCheck Search and Report beginning in March 2007 and additional departments will be added after the pilot program with ESD staff is evaluated. The raising of awareness and the collection of data during the pilot phase will allow the EPP team to better

understand the potential impact of this project. Best of all, by leveraging previously purchased software, the project was completed without any additional technology resources. Appendix A includes WebCheck Overview for more details on this exciting new effort to raise awareness for EPP products among City staff.

### **2. Procedures and Products**

#### ***EPP Language in Formal Bids, Requests for Qualifications and Request for Proposals***

One of the most effective ways to impact the purchasing of environmentally preferable products and services is to include EPP requirements in competitive processes. While the City has previously included environmental components in specifications and bid language, the practice previously occurred primarily when the item being obtained had commonly understood environmental characteristics. For example, when copy paper went out for quote, a particular level of recycled content was specified.

In 2006, Finance included the City's commitment to EPP in all Requests for Bids and Requests for Proposals. The inclusion of EPP language raised awareness for vendors and customer departments. A direct benefit of this practice is the enhanced capability of considering environmental criteria in the selection of the successful vendor. EPP requirements, as they relate to the items being procured, are an important consideration in product or service selection. The template section on EPP also reinforced the City of San José's environmental commitment and put potential vendors on notice that the City is also interested, where appropriate, in the environmental commitment of the company through its actions and policies.

## 2006 Environmentally Preferable Procurement Annual Report

The Information Technology Department demonstrated a thorough understanding of the importance of EPP when the Department revised specifications for desktop computers to incorporate a newly developed national standard called EPEAT – Electronic Product Environmental Assessment Tool. The City of San José was the first municipality in the country to adopt this groundbreaking standard and this action was highlighted in a national press release by the Center for New American Dream, a highly respected, non-profit organization based in Washington, D.C. whose mission is to provide a better life through the advancement of environmental initiatives. EPEAT is destined to become for technology products what energy star is to appliances and the City of San José is once again demonstrating its role as an environmental leader.

As part of an administrative policy review and updating exercise in 2006, environmentally preferable procurement language was added to the Travel Policy and to the Procurement Card Policy.

### ***Product Research and Replacement***

In conjunction with end-users, Environmental Services and Finance staff continue to examine products that the City uses in an attempt to reduce negative environmental impacts. Central Warehouse inventory has been reviewed and consultations have occurred with customers regarding the switch out of products that are harmful. The following products or product categories were targeted and resulted in increased EPP qualities in 2006:

- Office supplies
- Diesel fuel
- Hand cleaners
- Janitorial supplies
- Computers

Another success story is the use of Green Seal standards in the competitive process for janitorial contractors. The City has direct control over the cleaning products it carries in the Central warehouse but 2006 was the first time that an environmental standard like Green Seal was required of contractors who were competing to provide janitorial service in those buildings not serviced by City staff. Green Seal, a non-profit organization founded in 1989, provides science-based environmental certification standards that are credible, transparent, and essential in an increasingly educated and competitive marketplace. Green Seal's industry knowledge and standards help manufacturers, purchasers, and end users alike make responsible choices that positively impact business behavior and improve quality of life. This commitment to the health of the City's workforce, whether they are in City-supported or vendor-supported environments, is another example of the collateral positive effects that are gained when a commitment to EPP principles is embedded in the organization.

EPP principles also apply to the processes and vendors' end-of-life practices used to recycle and surplus items no longer useful for City staff. In 2006, disposable battery recycling was added to City workplaces and Finance contracted with an environmental recycler to collect and dispose of the items. Handling outgoing technology products in an environmentally preferable manner is extremely important because of the large volume of computers, cell phones and peripherals generated by the City. A competitive process yielded a new vendor for this service who provided the best combination of service and revenue.

One of the City's largest recycled waste stream deals with paper. In the past confidential documents were shredded by City staff or by outside vendors for a fee.

## 2006 Environmentally Preferable Procurement Annual Report

In the last year, Finance developed a procedure for the conversion of a large volume of Police records into pulp at a nearby paper mill. Consultation with Police Department and the City Attorney's Office ensured that confidentiality was maintained throughout the process. An added benefit was the realization of revenue for the paper rather than the cost of using outside shredding vendors.

Finally, through the Fiscal Year 2006-2007 budget process, the City Council allocated funding for the purchase of an eProcurement application. At the time of writing this report, proposals received in response to a Request for Proposal are under evaluation. Staff expects to have the application implemented in Fall 2007. The eProcurement application will provide Finance-Purchasing staff with centralized information on competitive solicitations and assist with the identification of procurements that have a significant EPP impact.

### ***Recycled Product Purchase Report***

The table below includes data on dollar volumes for product categories with Recycled content that were purchased by the City in 2006 with comparable figures for the previous calendar year.

<b>Product Category</b>	<b>2005</b>	<b>2006</b>
Office Supplies	\$131,138	136,372
Warehouse Supplies		
Paper	\$509,523	\$457,152
Non-paper	\$171,548	\$196,874
Traffic Beads	\$20,817	\$15,700
Automotive Products	131,400	\$297,138
Compost	\$34,000	\$35,000
<b>TOTALS</b>	<b>\$1,000,431</b>	<b>\$1,138,236</b>

## **3. Research and Testing**

### ***Product Testing***

Products selected for testing in 2006 included 100% recycled paper and air fresheners. The Environmental Services Department, which was certified as a Green Business in October, 2004, committed to reducing the amount of paper used through double-side copying, sharing documents online and using projectors to display meeting agendas rather than printing out copies for attendees. The results were significant – a 37% reduction in paper usage department-wide. To further lessen the impact of paper usage, ESD piloted the substitution of 30% post-consumer content recycled paper with 100% recycled content paper for printers and copiers in the Watershed Protection Division over a 26 month period. Results have been satisfactory so that the ESD will adopt this standard for the whole department in 2007. Purchasing is currently holding a competitive process to provide the best price and availability for this product.

## 2006 Environmentally Preferable Procurement Annual Report

The potential health risk and negative environmental impact of aerosol air fresheners was raised by an ESD employee. EPP staff researched the impacts of current products used as well as more environmentally preferable alternatives. Since bathroom air fresheners are not generally supplied by the City, ESD senior staff was enlisted in a department awareness campaign with the voluntary request to use preferred products. The EPP Steering Committee identified that the negative environmental and health impacts qualified for further action and a recommendation has gone forward to the Director of ESD to propose a citywide administrative policy to prohibit the use of air fresheners with negative health and environmental impacts in areas with City staff. This action will be pursued by ESD staff as part of the 2007 action plan

### 4. Planning and Collaboration

#### ***2006 EPP Vision Workshop***

The cornerstone of the Planning efforts of EPP activities in 2006 was the hosting of a half-day workshop targeted at management from key City departments and the Redevelopment Agency. The workshop had three major goals

- raise awareness of the EPP as an important City initiative
- share EPP successes and direction at the National, State and Regional levels
- create a core group of departmental advocates that are engaged and excited about integrating EPP into their own operations and being part of the next stage of EPP direction

To accomplish the first goal, invitations were sent to select Department Directors and the Redevelopment Agency by Interim City Manager Les White. Targeted participants were Senior staff who could

provide a complete departmental perspective and the ability to enact change in their organization. Every major operational department was represented and the participants were knowledgeable and engaged in the workshop.

Speakers from Sacramento and San Francisco provided an overview of EPP direction and successes from the state and local organization's perspectives, while a noted EPP specialist from the Center for a New American Dream added information about EPP activities throughout the country. The data, visual images and stories provided context and background about EPP in other jurisdictions for attendees.

The final goal of engaging the participants and making a link to current operations at the City of San José was accomplished at two Round Table sessions where participants talked directly with the speakers and colleagues about information presented as well as EPP challenges and achievements at the City of San José. Note takers at each of the tables captured the free-flowing exchange of ideas and a final plenary session encouraged the sharing of visions and ideas for the future that arose during the breakout discussions. The level of discussion that continued among attendees beyond the end of the formal program and the suggestion that EPP ambassadors be assigned in departments confirmed that the third goal of engaging the participants around EPP was not only achieved but actually exceeded.

#### ***Environmentally Preferable Procurement Policy Revision***

A triennial review is required as part of the EPP Policy that Council first passed in 2001. The hiring of the City's Chief Purchasing Officer delayed the review until this year but the time delay has led to thoughtful analysis and a major overhaul

## 2006 Environmentally Preferable Procurement Annual Report

of the Policy. Major changes to the policy are listed below:

- Policy language encouraging suppliers of goods and services to consider environmental impacts has been changed to requiring City contractors and grantees to conform to the EP<sup>3</sup> as they have been required to the recycled-content standards of the original Source Reduction and Recycling Procurement Policy since 1990.
- Policy language was added to provide for locally grown, organic food in City facilities; this change will help the City achieve Action 17 of the United Nations Urban Environmental Accords.
- Policy language was added to purchase non-public safety vehicles for the fleet that provide, whenever practicable, the best available net reduction in vehicle fleet emissions, and to identify reduced fuel consumption as an environmentally preferable attribute to consider in procurement decisions.
- The Leadership in Energy and Environmental Design (LEED) Green Building Rating System was included in the definitions and an implementation guideline was introduced requiring that all new City-funded buildings and major renovations utilize materials and building systems that will help facilitate future LEED certification.

The revised policy is being submitted for review to the Transportation and Environment Committee and then to the City Council in March 2007. Revisions to the EPP Policy are designed to make the policy consistent with the City's commitment to the United Nations Urban Environmental Accord as well as other environmental policies and plans currently in place. When it was created in 2001, the City's EPP Policy was ground-breaking with few models and little local experience

in this developing area. City EPP experience over the past five years along with information from other agencies such as the content presented at the Vision Workshop have led to a stronger, more specific EPP Policy that will provide direction and guidance to staff as they move forward.

### **Collaboration**

The relationship of EPP to other City environmental initiatives has been strengthened with the addition of three ESD staff members to the EPP Steering Committee – one from Green Building, one from Watershed Protection, and one from the Environmental Management System initiatives. Additional collaborative opportunities are enhanced because the EPP Co-Chair has responsibility for monitoring U.N. Urban Environmental Accord activities at the City.

Although collaboration with external agencies has not been a particular focus for 2006, staff have interacted with the Santa Clara County Household Hazardous Waste program regarding EPP.

## **C. Environmentally Preferable Procurement in 2007**

In 2007 Environmentally Preferable Procurement efforts will continue to build on the strengths of the last year and focus on the opportunities that a strengthened EPP policy provides. A 2007 Workplan will be developed to accomplish the following three objectives.

## 2006 Environmentally Preferable Procurement Annual Report

### **1. Develop a strategic plan and implementation strategy for the Revised EPP Policy.**

The expansion of staff on the EPP Steering Committee translated into a broader range of activities and more demonstrable successes in 2006. During the next year, one major task will be a planning exercise designed to translate the new Policy direction that Council is being asked to adopt into a 3-year strategic plan including implementation parameters. The EPP Strategic Plan will include longer-range, desired outcomes, and performance measures that will provide guidance for the development of yearly work plans as well as structure for future Annual Reports.

The EPP strategic plan will be consistent and complementary with other environmental initiatives and policies adopted by the City Council. It will be developed by the EPP Steering Committee with input from select contributors. Stakeholder meetings will be held to provide input and feedback before the final plan is adopted.

Given the City's obligation and commitment to increased environmental stewardship and modeling through its status as signatory to the U.N. Urban Environmental Accord, it is imperative that a discussion be undertaken regarding resources to support EPP activities.

It is important to identify methodologies that quantify the positive impacts of EPP as well as the potential savings accomplished by buying Green products and services. Through such a cost-benefit analysis staff may be able to identify an ongoing funding model.

### **2. Leverage the Vision Workshop experience by formalizing collaboration with departments**

The 2006 EPP Vision Workshop was a tremendous success to raise awareness, share EPP successes and direction at the National, State and Regional levels, and create a core group of departmental advocates. The Workshop validated the positive benefits of involving knowledgeable staff in key departments to forward environmental purchasing initiatives. Following up on suggestions from the Workshop participants will continue to build the relationship and keep the sense of engagement strong. Identifying "EPP Ambassadors" as suggested and endorsed by workshop attendees can be a cornerstone for involving departments in the strategic planning process described above.

Sharing the EPP successes that have been already been achieved within the City is another way to reinforce the positive impact of outreach to departments. The methodology is not as important as long as a continued connection and exchange of information and ideas become integrated into City culture.

### **3. Build on core area successes of 2006**

Accomplishments in the four core areas that are detailed in Section B of the 2006 EPP Annual Report are, in most cases, just the beginning. Where appropriate, the results of 2006 product testing - i.e. 100% recycled paper and air fresheners - need to be integrated into new ways of doing business by departmental or citywide changes. More product categories need to be selected for analysis and pilots. Awareness needs to continue to be a focus with expanded information sharing within the City and outside.

Staff training will continue as Webcheck Search and Report tools will be implemented beginning this spring by the Environmental Services Department for all procurements using Purchase

## 2006 Environmentally Preferable Procurement Annual Report

Requisitions. After review and evaluation of the pilot program, staff expects that expansion of the program to other departments will successfully hone awareness for green products. Successful implementation of this pilot program will result in its expansion to additional departments throughout the year.

The creation of an EPP Strategic Plan will guide the development of the Implementation Section of the revised EPP policy and provide a framework for a systematic approach in selecting future targets within the current categories of action.

### **D. Conclusion**

The 2006 annual report documents significant achievements in "Green Purchasing". Staff reached out to departments through the Visioning Workshop, pioneered the use of the EPEAT standards for computers, and revised the City's existing Environmentally Preferable Procurement Policy.

These achievements were made possible although limited budgetary support for EPP programming or staffing exists. EPP efforts have been conducted by individuals in Environmental Services and Finance/Purchasing "borrowed" from other duties and responsibilities to ensure that the City continues to move forward internally and maintain a leadership role in this important area.

A revised EPP Policy and a resultant Strategic Plan will allow for a systematic development of a path to sustainability and a brighter environmental future at the City of San José.

## **Appendix A – 2006 Environmentally Preferable Procurement Annual Report**

### **WebCheck 2006**

The EPP policy helps protect the environment and human health by requiring that the City procure services and products that maximize recyclability and recycled content, reduce toxicity, and conserve natural resources, materials, and energy.

WebCheck is a procedure designed so that any City staff member who purchases something as part of their job can do a quick internet search to see if there is a product, service or contract language with enhanced environmental qualities that will meet their needs.

WebCheck has two main steps:

1. WebCheck Search - Using the internet, staff check a national and/or state database to see if environmentally preferable products or contract language can be found for procurements that the City purchases.
2. WebCheck Report - Staff record the findings of their WebCheck Search by completing a brief survey that captures the results of the search and impact of the information found as well as demographic data about the searcher.

During the pilot and introductory phases of WebCheck, the primary goal is raising the awareness of and knowledge about the availability of environmentally preferable alternatives. Some staff will take the information they found by requesting samples in order to compare product effectiveness with current non-EPP alternatives. These research efforts will be encouraged and supported, where possible.

The WebCheck Report is designed to begin the data capture that will allow the EPP Team to target certain product categories. In addition, the data capture will allow the development of aggregate statistics that will contribute to the understanding of the market and financial constraints that challenge further expansion of the City's EPP efforts.

For 2007, WebCheck will be used by the Environmental Services Department. Other departments will be added and additional data collected as the program matures.

**2006 Environmentally Preferable Purchasing Visioning Workshop  
Thursday, September 21, 2006 in the City Hall Rotunda**

**AGENDA**

8:00 - 8:30	Check-in and networking over refreshments
8:30-8:45	Welcome Walter C. Rossmann, Chief Purchasing Officer Linda LeZotte, Councilmember, District 1
8:45-9:45	Panel Sharing EPP Success Stories Chris O'Brien, Center for a New American Dream Dan Burgoyne, State of California Chris Geiger, City and County of San Francisco
9:45-10:30	Round Table Session 1 3 tables hosted by panelists
10:30 - 10:45	Refreshment Break
10:45 - 11:30	Round Table Session 2 3 tables hosted by panelists
11:30 - 12:00	Plenary Session - Sharing Possible EPP Initiatives Patty Baggese, Facilitator
12:00 - 12:15	Closing remarks

**ATTENDEES**

Patrick Tonna	Airport	Walter Rossmann	Finance
Ashwini Kantak	City Manager's CIP Team	Don Beams	General Services
Ilyas Ahsan	Environmental Services	Walter Lin	General Services
Claire Boswell	Environmental Services	Rachel VanderVeen	Housing
Ken Davies	Environmental Services	Kelly Spivey	Office of Econ. Dev.
Jessie Denver	Environmental Services	Joe Cardinali	PRNS
Mike Foster	Environmental Services	Mark Gerhardt	PBCE
Skip Lacaze	Environmental Services	Phil Prince	Public Works
Karen McDonough	Environmental Services	Samantha Logan	Transportation
Linden Skjeie	Environmental Services	Norberto Duenas	Redevelopment
Diane Zarate	Environmental Services	Bill Ekern	Redevelopment
Ray Gale	Finance	Louie Yan	Team San Jose

*City of San José, California*

**COUNCIL POLICY**

<b>TITLE:</b>  <b>ENVIRONMENTALLY PREFERABLE PROCUREMENT POLICY (EP<sup>3</sup>)</b>	<b>PAGE</b>  1 of 3	<b>POLICY NUMBER</b>  4-6
	<b>EFFECTIVE DATE</b>  09/25/01	<b>REVISED DATE</b>  03/20/07

APPROVED BY COUNCIL ACTION ON

**Purpose**

The purpose of this policy is to set a standard of environmentally preferable procurement (green purchasing) and demonstrate the City's commitment to environmental, economic, and social stewardship. The City of San José has a unique opportunity to further expand its leadership in the area of environmentally preferable purchasing and, through its actions, elicit changes in the marketplace. By further incorporating environmental considerations into public purchasing, the City of San José will positively impact human health and the environment, remove unnecessary hazards from its operations, reduce costs and liabilities, fulfill its commitments under the UN Urban Environmental Accords, and improve the environmental quality of the region. This policy will guide the City's effort in procuring environmentally preferable products and services.

**Background**

In 1990, the City Council adopted Council Policy 4-4 on Source Reduction and Recycling Procurement. This policy supported the City's new recycling programs by reinforcing the City's public outreach and by helping to establish markets for recycled materials, especially paper.

In 2001, the City Council adopted the Environmentally Preferable Procurement Policy, which expanded environmental considerations in procurement beyond recycling and the reduction of solid waste and toxics by including energy conservation, water conservation, and life cycle analysis.

These policies allowed the City to receive grants from the California Integrated Waste Management Board, which requires a formal recycled content procurement policy and a report on its implementation in order to successfully compete.

In 2005, the City Council approved that the City become a signatory to the United Nations Urban Environmental Accords.

City policies which support EP<sup>3</sup> include the Sustainable City Policy of the General Plan, the Pollution Prevention Policy, the Green Building Policy, and the Source Reduction and Recycling Procurement Policy.

**Policy**

It is the Policy of the City of San José to:

1. Purchase products which contain, whenever practicable, the highest percentage of post-consumer recovered material, the highest percentage of total recovered

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material available in the marketplace, and reduce waste in the manufacture and use of products and packaging purchased by the City.

2. Ensure that specifications and performance standards for goods and services do not require the use of products made from virgin materials nor specifically exclude the use of environmentally preferable products.
3. Procure environmentally preferable goods and services where environmental criteria have been established by governmental or other widely recognized authorities.
4. Integrate environmental factors into the City's buying decisions, when practicable, where external authorities have not established criteria. Examples include but are not limited to:
  - Purchasing non-emergency fleet vehicles that provide, whenever practicable, the best available net reduction in vehicle fleet emissions;
  - Replacing disposables with re-usable, recyclable, or compostable goods;
  - Providing locally grown, organic food in City facilities;
  - Considering life cycle economics;
  - Considering impacts and threats of harm to human health or the environment;
  - Evaluating, as appropriate, the environmental performance of vendors in providing products and services.
5. Require all City contractors and grantees to conform to this Policy such as contractors and grantees who procure materials or products to perform contractual services for the City, to produce or provide a work product to the City or on the City's behalf, or to conduct work funded by a grant from the City.

## Definitions

The following terms shall have the assigned definitions for all purposes under this policy:

**City of San José** means the City of San José elected and appointed officials and staff.

**Environmentally Preferable Products and Services** refers to products and services that have a lesser or reduced negative effect on human health and the environment when compared with competing products that serve the same purpose. This comparison analysis may include raw materials acquisition, production, manufacturing, packaging, distribution, reuse, operation, maintenance, disposal of products, or service delivery.

Specifically, factors that should be considered when determining that a product or service has environmentally preferable attributes include, but are not limited to:

- Minimization of virgin material used in product or service life cycle;
- Maximization of recycled materials used in product or service life cycle;
- Life cycle economics of products and services
- Reuse of existing products or materials in product or service life cycle;

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- Recyclability, biodegradability and compostability of product;
- Minimization of packaging;
- Reduction of energy and fuel consumption;
- Reduction of water consumption;
- Toxicity reduction or elimination;
- Durability and maintenance requirements; and
- Ultimate disposal of the product.

**LEED** (Leadership in Energy and Environmental Design) means the Green Building Rating System developed and administered by the United States Green Building Council and adopted by Council and the Agency in the Green Building Policy.

**Life Cycle Cost Assessment** means the comprehensive accounting of the total cost of ownership, including initial costs, energy and operational costs, longevity and efficacy of service and disposal costs.

**Practicable** means sufficient in performance and available at a reasonable price.

### Implementation Guidelines

The City Manager shall ensure the development and maintenance of implementation guidelines that provide sufficient direction and clarity to carry out this policy in an efficient and accountable manner. Specifically, the City Manager shall:

1. Prepare and deliver to the City Council an annual report on implementation of this policy. The report shall include documentation of the types, quantities, and dollar amounts of environmentally preferable products (including the percentage of post-consumer and total recovered material content) and services purchased in the previous year by the City, its contractors, and its grantees. The report shall also identify and discuss instances where this policy is waived or its requirements found impracticable and barriers to the procurement of environmentally preferable products and services, if applicable.
2. Ensure that all new City funded buildings and major renovations utilize materials and building systems that will help facilitate future LEED certification.
3. Require the inclusion of environmentally preferable products and services in specifications for City solicitations, where practicable.
4. Establish guidelines governing the review and approval of specifications for procurement of products and services based on recyclability, energy and water conservation, life cycle cost, and other environmental considerations.
5. Every three years, or as required, review this policy and recommend changes, if warranted, to Council.