



Memorandum

TO: MAKING GOVERNMENT WORK
BETTER COMMITTEE

FROM: Jim McBride
Carl W. Mosher

SUBJECT: ENVIRONMENTAL PROCUREMENT **DATE:** 11-9-04
REPORT FOR 2004

Approved

Date

RECOMMENDATION

It is recommended that the Making Government Work Better Committee and the City Council:

- Approve this memorandum as fulfilling the requirement for a report on activities related to the Environmentally Preferable Procurement Policy.
- Reconfirm the Environmentally Preferable Procurement Policy as required every three years.

BACKGROUND

On September 25, 2001, Council adopted the Environmentally Preferable Procurement Policy. Within that Policy, staff was directed to report annually on the implementation and achievement of the adopted policies and on proposed actions.

The purpose of the San José Environmentally Preferable Procurement Policy is to minimize negative environmental impacts of the City's activities by promoting the procurement of services and products that reduce toxicity, conserve natural resources, materials and energy and maximize recyclability and recycled content.

A collateral purpose is to support markets for recycled goods and other environmentally preferable products and services. The Environmentally Preferable Procurement (EPP) Policy is to be reviewed by Council every three years. (The complete Environmentally Preferable Procurement Policy is in Attachment A).

ANALYSIS

In August of 2003, a Strategic Planning Workshop was held to identify possible areas of emphasis for the City's EPP initiative. Representation at the workshop included staff from the Airport, Convention Arts and Entertainment, Public Works, the Redevelopment Agency, Environmental Services and General Services as well as Council District 1. A Steering

Committee was formed and selected areas were targeted for action. The results of those actions in 2003-04 are:

Increased Awareness and Training

- The EPP Policy is posted on two City internet sites – Environmental Services homepage, and Purchasing’s BidLine.
- The City’s EPP Policy is receiving wide exposure through posting on the internet site of a prominent, non-profit sustainability organization called New Dream (www.newdream.org/procure/policy/index.php) and on the California Integrated Waste Management Board website.
- Buyers in the Purchasing Division have received overview training on environmental procurement.
- Discussions about areas of mutual impact were initiated with staff responsible for Green Building and Sustainable Energy.
- Staff from General Services and Environmental Services attended a seminar on Green Products for the janitorial field.

Changes in Procedures and Products

- EPP language was included in Formal Bids and Requests for Proposal when applicable.
- Procurement forms have been modified to collect EPP information on the Resource Questionnaire (vendor input), the Request for Quotes form (vendor input) and on the Approval form (buyer input).
- A bathroom-deodorizing product with negative impact on worker health was discontinued and replaced with a less toxic product.
- ACME Building Maintenance, the vendor providing outsourced janitorial services to the City, has voluntarily switched to “Green Seal” approved products at the building leased for the Environmental Services Watershed Protection Division.
- An internal review of the Environmentally Preferable Procurement Policy was undertaken.
- The Environmental Services Department was certified as a Green Business.

Research and Testing

- Data was collected on the environmental characteristics of standard computers, monitors and printers that the City purchases.

- Data was collected on the company that surpluses computer equipment from the City to ensure that it uses environmentally friendly practices to deconstruct and dispose of residual materials.
- Warehouse management has begun an analysis of the environmental characteristics of all products carried in the Central Warehouse.
- A survey was conducted of all General Services buyers to ascertain their level of training in EPP and to identify the commodities and customers that might be initial targets for training.

STRATEGIC APPROACH

Fiscal and personnel constraints have limited the scope of Environmentally Preferable Purchasing efforts in the past year. While future endeavors must continue to be mindful of the negative budget reality in the short term, during the next triennium environmental procurement efforts should:

1. conduct outreach on the City's Environmentally Preferable Purchasing Policy and create a strategic plan for EPP;
2. continue to identify government agencies to partner with on environmental procurement and exchange data/research results in this growing field;
3. continue to raise awareness and provide training on EPP for City and agency staff; and
4. leverage opportunities to work with other citywide environmental initiatives in outreach to vendors and the public.

ACTION PLAN FOR 2004-05

To further the work that has been done during 2003-04 and subject to the strategic direction identified in the four major areas above, the following items are proposed for 2004-05:

- Develop an EPP tool to assist departments and buyers to implement "Green" purchasing.
- Create a training program on environmentally preferable procurement and deliver it to a minimum of two departments.
- Inform new employees of EPP issues during orientation along with other Purchasing rules.
- Include EPP information in the instructions given to employees receiving City credit cards.
- Adapt forms and procedures to begin formal data collection on the number of vendors offering EPP products and/or services.

- Develop a pilot project to test the efficacy of at least two EPP products as compared to their non-EPP alternatives.
- Expand buyer knowledge and involvement with EPP communications to vendors and customers.
- Include EPP language in upcoming major procurements especially where there is a Citywide impact such as computers and copy paper.
- Initiate discussion and define a process with the Public Works Department to potentially incorporate EPP into their procurements and contracts.
- Create a three-year EPP plan which focuses on strategic initiatives and which leads to yearly action plans and annual reports similar to The Sustainable Energy Policy Report.
- Identify performance measures and lifecycle cost implications that can be used for evaluation of EPP initiatives or proposals.
- Collaborate with staff working on other environmental initiatives such as Green Building, Sustainable Energy and Water Conservation to ensure that complimentary goals are aligned and that the City presents a comprehensive and cohesive approach in outreach to private sector businesses.

PUBLIC OUTREACH

A staff review of the Environmentally Preferable Procurement Policy confirms its core values and engenders the recommendation to Council that the Policy be reconfirmed as written. During the next triennium, it will be important to conduct outreach to citizens, businesses and other jurisdictions to get external input and address changes to enhance the Policy.

COORDINATION

Preparation of this document was coordinated with the City Attorney, Environmental Services, General Services and Information Technology departments as well as staff who manage the City's Sustainable Energy and Green Business Policies.

COST IMPLICATIONS

The Policy includes the following statement regarding cost: *“Nothing in this policy shall be construed as requiring a department, agency or contractor to procure products that do not perform adequately for their intended use or are not available at a reasonable price in a reasonable period of time.”* With the possible exemption of small pilot projects, cost impacts of future EPP efforts shall be clearly outlined in advance of any substantive action related to extraordinary expenditures.

CEQA

Not a Project.

JIM MCBRIDE
Interim Director
General Services Department

CARL W. MOSHER
Director, Environmental Services

Attachment