



Memorandum

**TO: TRANSPORTATION &
ENVIRONMENT COMMITTEE**

FROM: John Stufflebean
Scott P. Johnson

SUBJECT: SEE BELOW

DATE: February 21, 2007

Approved

Date

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 (EP³) 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 EP³ 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, which 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.

In 2005, upon City Council approval, the City became a signatory to the United Nations Urban Environmental Accords. Other City policies which support EP³ 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.

The Source Reduction and Recycling Procurement Policy and EP³ 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 EP³ 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 EP³ 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 EP³ 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 EP³ 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 format has been changed to match the updated Council Policy Manual.
- References to the Purchasing Division have been updated to reflect the organization change to the Department of Finance.

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

The request to approve and forward for Council action 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)**

Although this memorandum does not meet any of the above criteria, it 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 and the City Attorney's Office.

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.

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

City of San José, California

COUNCIL POLICY

TITLE: ENVIRONMENTALLY PREFERABLE PROCUREMENT POLICY (EP³)	PAGE 1 of 3	POLICY NUMBER 4-6
	EFFECTIVE DATE 09/25/01	REVISED DATE 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 EP³ 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 five years, or as required, review this policy and recommend changes, if warranted, to Council.

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 Cardinalli	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
Gay Gale	Finance	Louie Yan	Team San Jose