



Memorandum

**TO: TRANSPORTATION &
ENVIRONMENT COMMITTEE**

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

SUBJECT: SEE BELOW

DATE: 03-19-2008

Approved

Christine J. Shupeny

Date

3/28/08

COUNCIL DISTRICT: Citywide

**SUBJECT: ENVIRONMENTALLY PREFERABLE PROCUREMENT INTERIM
REPORT**

RECOMMENDATIONS

Accept the Environmentally Preferable Procurement Interim Report.

OUTCOME

To update the City Council on recent and planned activities regarding the implementation of the Environmentally Preferable Procurement Policy (EP³).

BACKGROUND

In 2001, the City Council adopted Council Policy 4-6, the Environmentally Preferable Procurement Policy. The EP³ expanded environmental considerations in procurement beyond recycling, source reduction and toxicity addressed in Policy 4-4, Source Reduction and Recycling Procurement, which was adopted in 1990. Specifically, the EP³ addresses conservation of natural resources, materials and energy, further reduction of toxicity, and maximizing recyclability and recycled content. It also addresses the replacement of disposables with reusable goods, support for eco-labels, evaluation of vendor environmental performance, and encourages service providers to consider the environmental impacts of service delivery. In March, 2007, Council approved changes to Policy 4-6 to address: the procurement of local organic foods, compostability of procured goods, water conservation, product durability and maintenance requirements, green building considerations, and efforts towards greening the fleet.

In 2005, the City became a signatory to the United Nations Urban Environmental Accords which includes a goal for municipal environmental procurement. Other City policies support EP³

including the Sustainable City Policy of the General Plan, the Pollution Prevention Policy, the Green Building Policy, the Energy Policy, and the Source Reduction and Recycling Procurement Policy.

In 2007, Council approved the City's Green Vision which includes several purchasing related goals such as renewable energy, energy conservation, green building, increasing the use of alternative fuels in the municipal fleet, and zero emission street lighting.

The Source Reduction and Recycling Procurement Policy and EP³ require submittal of annual reports to Council. The reports have been combined since 2002. The last annual report was submitted in March, 2007. This memo constitutes an interim report on activities since the March 2007 report. To streamline various reporting requirements to Council and facilitate data gathering based on a fiscal versus calendar year, staff proposes to shift the annual report from Spring to Fall. The report on FY 2007 – 2008 activities will be given in October to coincide with the Green Vision Report and the Urban Environmental Accords Report. Additionally, per Council direction, the annual EP³ report will include a report on the Green Fleet Administrative Policy.

In 2007, the Administration formed an EP³ Steering Committee that oversees implementation of the Policy. It consists of management staff from General Services, Environmental Services, and Finance Departments. The Steering Committee reviews the work and guides the Implementation Team with representatives from the Environmental Services, Finance, Parks, Recreation, and Neighborhood Services, Public Works, and Aviation Departments. The Implementation Team has developed a multi-year Strategic Implementation Plan which guides current EP³ activities.

ANALYSIS

The Annual Report submitted in March, 2007 included the following activities for calendar year 2007: 1) create a multi-year strategic plan; 2) formalize collaboration with departments; 3) continue to make progress in product testing, 4) identification of environmentally preferable products. Below, these activities are discussed in more detail. Additionally, towards the end of this section, the report highlights the goals of the remainder of the Fiscal Year and discusses recent recognitions.

Multi-year Strategic Plan

As discussed above, the EP³ Implementation Team has developed a multi-year strategic plan with the following Outcomes, Goals and Strategies. The Outcomes provided the framework for the strategic plan as follows:

1. Reduced environmental impact of the goods and services that the City procures.
2. Expanded market for environmentally superior goods and services.
3. EP³ will be institutionalized throughout City procurements.

The identified outcomes resulted in the development of the EP³ goals as outlined below:

1. Fully incorporate EP³ into all contracting processes.
2. Disseminate knowledge about green products to all departments, City contractors, and grantees and establish an EP³ liaison program.
3. Review one third of Commodities procured by Finance annually to identify green products and services and incorporate EP³ specifications in upcoming solicitations of reviewed commodities.
4. Incorporate EP³ into the City's construction, operations, and maintenance activities.
5. Achieve a reduction in the environmental impact of the City's purchasing in terms of resource conservation (water, energy, and materials), greenhouse gas (GHG) reductions, pollution prevention, and product stewardship strategies such as end of life management.
6. Identify Performance measures to monitor progress.

To implement the six goals, staff identified the following strategies:

1. Work to identify, test, and adopt environmentally preferable alternatives to the commodities the City currently buys.
2. Collaborate with departments responsible for contracting to incorporate EP³ into all contracting processes including issuance of City grants and construction contracts.
3. Educate staff, contractors, and grantees on EP³ and assist with adoption of EP³ standards.
4. Collaborate with departments to incorporate EP³ into City Operations and Maintenance activities.
5. Identify a minimum of one product annually, which is harmful to the environment, and discontinue its use in City operations.
6. Regularly collaborate with regional partners.
7. Innovation.

Formalize collaboration with Departments

In addition to the departments represented on the Steering and Implementation Committees, members of the EP³ Implementation Team have met with staff from the Police, Fire, Transportation, and Library Departments to identify what EP³ activities are currently underway and identify other EP³ opportunities that can be initiated. For example, a green team has formed to review the DPW specification revisions for environmental opportunities and innovations. The EP³ team has just launched its "EP³ Messenger," an employee newsletter designed to educate staff about our recent EP³ successes and recognize staff for their innovations. The San Jose Redevelopment Agency has plans to adopt the EP³ policy later this spring.

Product Testing and Identification of Environmentally Preferable Products

This activity has continued. Recently, the Environmental Services Department hired three interns to research environmental alternatives for RFPs that are under development such as the printing services RFP and the neighborhood clean up RFP. Progress in identifying and adopting environmentally preferable products has occurred throughout the City and is discussed in Appendix A.

Appendix A highlights the EP³ successes that have occurred since the March, 2007 Report. It includes a progress report on incorporating EP³ into the procurement process, product pilots and product changes, recognition and outreach, innovations, and specific progress from the Airport, Green Fleet, energy conservation, and Information Technology.

Goals for the Remainder of the Fiscal Year

Between now and the fiscal year 2007-2008 report scheduled for presentation to the Transportation and Environment Committee in October 2008, the EP³ Steering and Implementation Committees plan to review the EP³ policy for possible revisions. An EP³ commodities matrix is under development which will guide procurement staff to readily identify environmentally superior alternatives to conventional products and services. Several environmental innovations are being incorporated into solicitations and contracts currently under development such as the office supply contract, the neighborhood clean up contract, the printing services contract, and storage area network contract. Additionally, the San Jose Redevelopment Agency plans to adopt an EP³ policy in May, 2008.

Recognition

The City has enjoyed some recent recognition for its environmentally preferable procurement successes. In October, the Environmental Protection Agency recognized the City as a "Green Electronics Champion" for its early adoption of the national EPEAT environmental standard for computers. EPEAT is America's first comprehensive environmental standard for information technology equipment and products that qualify have reduced environmental impacts. The City began procuring EPEAT qualified equipment in mid 2006 prior to its final release to the public. This has resulted in several other public relations opportunities for the City such as quotes from San Jose officials in an EPEAT article in "Green Technology Magazine." The EPEAT success has contributed significantly to San Jose's image as an environmental leader. City staff has also been invited to speak on various aspects of the City's EP³ implementation including a presentation to the Business OwnerSpace.Com and Alliance West 2008 conference (April, 2008), the IDC conference (June, 2008) and the Western Region Pollution Prevention Network (WRPPN) Conference scheduled for October 2008.

POLICY ALTERNATIVES

Not applicable.

PUBLIC OUTREACH/INTEREST

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater.
- Criterion 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
- Criterion 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.

Although this memorandum does not meet any of the above criteria, it will be posted on the City's website for the April 7 Transportation and Environment Committee meeting.

COORDINATION

This memorandum has been coordinated with Finance, General Services, and the San Jose Redevelopment Agency.

FISCAL/POLICY ALIGNMENT

This memorandum aligns with the Council Policy titled "Environmentally Preferable Procurement Policy", dated September 25, 2001. Additionally it supports implementation of the Urban Environmental Accords and the Green Vision.

COST SUMMARY/IMPLICATIONS

Not applicable.

BUDGET REFERENCE

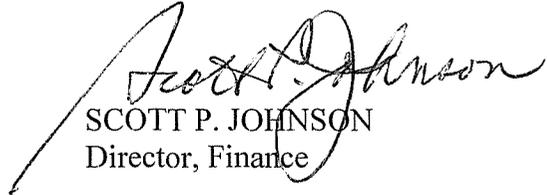
Not applicable.

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:

EP³ Activity – March 2007 – March 2008

City of San Jose
Environmentally Preferable Procurement Policy
Activity: March, 2007 – March, 2008

Success title	Project Description	Benefits (eco or other)
Purchasing Process Improvements		
Vendor & Public Awareness	Website info updated with revised policy on inter & intranet.	Greater employee and public awareness of City EP3 efforts.
Procurement Boilerplate Documents	EP3 language incorporated into Purchasing boilerplate documents. Additionally, for specific solicitations, points are assigned for environmental qualities of the goods or services offered.	Ensures that basic EP3 considerations are included in each solicitation the City releases and that products and services with environmentally preferable qualities are recognized in the competitive process.
e-Procurement	e-Procurement system came online in August, 2007	Less paper usage; more procurements are handled electronically and vendors respond online about the environmental benefits of the supplies and services offered.
Product Changes and Pilots		
100% post-consumer waste (PCW) recycled content paper	The City transitioned from 30% PCW to 100% PCW recycled content paper in summer, 2007.	Savings of: 4440 tons of wood (3,000 trees), 442m BTUs, 270,046 lbs of CO2, 1100 lbs of pollutants, 1m gallons wastewater, 144k lbs of solid waste.
Compostable Cutlery and	ESD initially purchased these items and the	Creates less solid waste, utilizes less

Success title	Project Description	Benefits (eco or other)
Plates	Central Warehouse is in the process of stocking them..	petroleum in production of these items.
Recycled Asphalt/Concrete (AC)	DOT has modified its AC specifications to provide for the use of recycled AC products. Beginning April 1, DOT will utilize recycled AC products on some road maintenance projects, with the purpose of evaluating the material's suitability for City use.	Reduces use of virgin products such as crushed rock and heavy road oil. Reduces transportation requirements for petroleum products to mixing facilities. Approximate cost savings is 15% per ton. DOT request for recycled product has prompted 2 additional suppliers to bring recycling process and products on line, which will be available for purchase within the next 12 months.
Electronic Flares	The Police Airport Division and some units in the Fire Department are currently using electronic road flares instead of the traditional self contained chemical based road flares.	Removes chemical residue from air and run off water from roadways. Battery charge lasts 3-4 times longer than the burn rate of traditional flares. Units are re-usable and re-chargeable. Re-charge cost for 1 year is equivalent to the cost of 1 traditional chemical based flare.
High Volume Trash Pump Impeller Substitution	General Services specified Stainless Steel (SS) impellers for new high volume trash pumps used to remove water/debris from flooded streets, lots, buildings, parking structures, etc. (Trash Pumps are designed to remove water that contains immersed debris.)	SS impellers remove the possibility of leached hazardous chemicals during the pumping process. Initial purchase cost is 30% greater than traditional cast brass impellers, but have an operating life more than 2 times longer than the traditional impeller.
Janitorial service improvements	Transitioned to the use of "Green Seal – 37" Janitorial products for use in City custodial services.	Better health and safety of janitorial staff and city workers, less pollution generated.
Local organic food	Piloting the procurement of local organic foods	Less pollution generated in production

Success title	Project Description	Benefits (eco or other)
requirements	in PRNS senior meal program and Convention Center	and transportation, health benefits of organic foods.
Bats, Goats, Owls integrated pest management pilot project	Piloted the use of these animals to control weeds, gophers and insects on city properties.	Biological Control of Pests in San Jose reducing the use of chemical pesticide products, leading to cleaner storm water and safer environment.
Big Belly solar trash compactor ordered for Airport	This product utilizes solar power to hold and compact trash, avoiding a grid connection. It holds five times the volume of a traditional trash receptacle.	Reduced greenhouse gas emissions as well as other pollutants and requires less maintenance.
Triclosan phase out in ESD	Phased out the use of this registered pesticide used in antibacterial soaps.	Less pollution to the San Francisco Bay where it can bioaccumulate in aquatic organisms and subsequently in people who eat fish or shell fish.
Air Fresheners	Phased out the use of traditional air fresheners with volatile organic compounds (VOCs).	Better air quality in city facilities, better health and safety for city workers.
Ricoh copiers	Procured Multi-function devices that automatically duplex, save energy, and recycles cartridges and office equipment.	Resource conservation (paper and energy). Additionally, the vendor has an exemplary environmental record.
City Hall Coffee Cart	Requirement for use of local organic foods where feasible and offers a discounted cup of coffee if patrons bring their own cup.	Reduced environmental impacts of foods utilized in terms of petroleum products used and chemicals.
Green Fleet		
Biodiesel adoption	Introduced use of biodiesel (B5) in October 2006. Transitioned from B-5 to B-10 in 2007 with transition to B-20 in progress. Used in all city-owned diesel-powered vehicles including fire trucks.	Less pollution generated, less petroleum utilized, less CO2 generated (15% savings).
Hybrid Vehicles added to	Approximately 10 hybrid replacement vehicles	Emissions reductions and lowered fueling

Fleet	have been added to the Fleet where they are appropriate for delivery of City services.	expenditures for the vehicles involved.
Information Technology		
EPEAT Silver computer procurement	Last year, the city was the first municipality to utilized "EPEAT," the new American environmental standard for computers in an RFP.	Numerous environmental benefits: less toxics, solid and hazardous waste generation, resource conservation, energy conservation, fewer greenhouse gas emissions. Additionally, considerable favorable publicity for the City.
Remanufactured Printer Cartridges	The City's supplier is required to re-use empty printer cartridges.	Resource conservation, less hazardous waste generation.
Recognition and Outreach		
City given Green Electronics Champion Award by EPA	The City was deemed a "Green Electronics Champion" by the EPA for its early adoption of the new EPEAT environmental standard for IT equipment.	Supports City goal to be viewed as an environmental leader.
Green Technology Magazine	San Jose officials quoted in March 2008 article about green IT equipment	Supports City goal to be viewed as an environmental leader
EPEAT Outreach	San Jose included in December, 2007 Green Electronics Council news release about new Energy Star requirements for IT equipment.	Supports City goal to be viewed as an environmental leader
The City's Green Fleet Policy News Item Write-Up by the Responsible Purchasing Network (national organization)	The Responsible Purchasing Network posted a news item about the City's green fleet policy on the RPN website.	National recognition for the City's efforts
EP3 Messenger	City internal EP3 newsletter launched to educate staff about EP3 innovations and recognize responsible staff	Incentive to implement EP3 and information about how to do so.

Vendor & Public Awareness	Presentation: California Association of Public Purchasing Officers: Finance staff presented on the City's EP3 activities at their Summer 2007 meeting.	Supports San Jose's image as an environmental leader.
EP3 Workshop, June 2007	EP3 Workshop held with participation from numerous City departments to discuss how to further implement EP3.	Identified collaborative opportunities between departments and educated departments about EP3.
Employee Initiatives	Pollution Prevention Payroll Flyer	Better employee awareness of pollution prevention and associated EP3 opportunities.
SJ Fire Dept. "moving towards the green" recognition in <i>Fire Chief</i> magazine	<p>Letter to the Editor from SJFD in response to article in the November, 2007 <i>Fire Chief Magazine</i> discussing how Fire Departments are reducing their environmental impacts. The magazine commended SJFD for their great efforts "moving towards the green:"</p> <ul style="list-style-type: none"> - All diesel powered vehicles and equipment assigned to SJFD are using biodiesel B10. - LEED-certified (Silver standard) fire stations like the recently opened Station 35. - Removing old flooring in stations and replacing it with stained and sealed concrete where appropriate - All lighting in City fire stations utilizes pin-type fluorescent bulbs, many activated with motion, photocell, timers or combinations of these. - All recruits are issued a re-usable water bottle to reduce the use of plastic disposable bottles. 	Numerous environmental and financial benefits associated with the use of biodiesel (noted above) as well as with green buildings such as energy conservation and less exposure to toxics.