



Memorandum

TO: TRANSPORTATION AND
ENVIRONMENT COMMITTEE

FROM: Julia Cooper
Kerrie Romanow

SUBJECT: SEE BELOW

DATE: 03-19-12

Approved 

Date 3/23/12

COUNCIL DISTRICT: Citywide

**SUBJECT: ENVIRONMENTALLY PREFERABLE PROCUREMENT POLICY
REPORT FOR FISCAL YEAR 2010-2011**

RECOMMENDATIONS

1. Accept the Environmentally Preferable Procurement Policy Report for 2010-2011.
2. Recommend that this report be placed on the April 24, 2012 Council agenda for approval of changes to the Environmentally Preferable Procurement Policy regarding expanded polystyrene food service ware.

OUTCOME

To inform the Committee and City Council about recent and planned activities regarding the implementation of the City of San José's Environmentally Preferable Procurement Policy (EP3), and related initiatives, and to revise the policy to more fully address food service ware made from plastics such as expanded polystyrene (EPS).

BACKGROUND

In 1990, the City of San Jose adopted the first version of its Environmentally Preferable Procurement Policy (EP3). The policy is fundamental to the City's efforts to reduce the environmental impacts of its operations and service delivery as well as to the implementation of the Green Vision, Urban Environmental Accords, and other environmental policies.

The City of San José has both an EP3 Steering Committee that guides policy implementation and an EP3 Implementation Team (I Team) that works to incorporate EP3 into city purchasing and educate staff. Departments represented include Finance, Public Works, Airport, and Fire. To date, the City has received three awards for its EP3 efforts, recognizing its leadership and its successes in reducing the environmental impacts of City procurement. City staff has been asked to speak about its EP3 work at many conferences, enhancing the City's reputation at the regional and state levels.

ANALYSIS

The focus of this report is last fiscal year with the exception of the two items discussed below which are occurring in 2011-2012.

Prohibition of City Purchases of Expanded Polystyrene Food Service Ware

Most foam food ware is made from expanded polystyrene foam beads (EPS), while some (including plates, trays, and some clamshells) are made from extruded polystyrene foam sheets (which the industry abbreviates as "XPS"). All such products are referred to in this report as Expanded Polystyrene or EPS.¹

EPS is lightweight and therefore floats, making it a highly visible pollutant in our creeks. EPS readily travels from land to inland waterways and out to the ocean. EPS easily breaks into small pieces which are commonly mistaken for food as birds and other marine wildlife ingest these plastic pieces. Due to the negative water quality impacts of EPS litter, reducing the amount of EPS food foam in waterways has become a priority concern to environmental groups, municipalities, and water quality regulators.

On January 31, 2012, the City Council directed staff to implement guidelines to halt City purchase of EPS food ware at City facilities and to require that City-sponsored events that receive City funding, or, in-kind support from the City, ban the use of EPS food ware.

As a consumer, the City can purchase EPS several ways including direct purchase of EPS products or purchase of food and beverages packaged in EPS. The City can also be an indirect consumer of EPS food ware through agreements with vendors or concessionaires at City facilities. The administration will employ several measures to stop the procurement and use of EPS food ware at City facilities and events including updating the EP3, developing a new City Administrative Policy on EPS food ware, and adding new language to City agreements and facility use permits as appropriate.

¹ "Styrofoam" is a trademark of The Dow Chemical Company for extruded foam products used as building materials and craft supplies. Although foam cups, bowls, clamshells, and trays made from expanded polystyrene foam beads (EPS) or from extruded polystyrene foam sheets (XPS) are commonly referred to as "Styrofoam" by the public and in the media, Dow's Styrofoam products are not used to make foam cups or any other food service products.

Revised Policy Compliance

The existing EP3 addresses the issue generally in its requirement to "Replace disposables with re-usable, recyclable, or compostable goods." To conform to Council direction, the City's EP3 is being revised accordingly to specifically prohibit the purchase of food service ware made from expanded polystyrene in City facilities, programs or at events at City venues. The new language is included in the revised policy's implementation guidelines (Item 8 on Attachment 3).

This revision supports direction from Council on January 31, 2012 and from the Cities Association of Santa Clara County on January 12, 2012 for cities in Santa Clara County to "prohibit expanded polystyrene food and beverage containers in all County/City cafeterias, facilities and events and prohibiting the use of expanded polystyrene by anyone or any group utilizing County/City facilities/parks." A recent inventory of City departments reveals that EPS is in use at the cafeteria at the Police Administration Building and Parks Recreation and Neighborhood Service (PRNS) Senior Meal Program. Additionally, of the 30 food concessions at the Airport, two still use limited EPS and are working to phase out its use.

The Environmental Services Department will work with City staff to implement the new policy revisions. The steps necessary for achieving compliance will be integrated into existing City practices. These practices will include City staff conducting select audits of City facilities over the next six months to identify gaps and discover issues with compliance that may be preventing full compliance as well as providing technical support in the selection of appropriate alternative products.

The agreements for use of City Hall for public and private events will be amended to include language prohibiting the use of EPS food service ware. City Hall event management staff already maintains a list of approved caterers. Outreach will be conducted to the existing catering service providers, and to other food vendors that frequently serve City Hall, informing them of the new policy, and assistance will be provided to help them identify non-EPS alternative food ware. In order to take a step towards eliminating EPS food ware from the city's parks, picnic areas and community centers, facility use agreements for these areas will be amended to include language that strongly encourages, but does not prohibit, the use of EPS food ware.

Bids for concessionaire services will include language that requires compliance with the City's EP3 as applicable, including the ban on EPS food service ware. Staff will survey existing concessions to determine the extent of EPS use and provide technical assistance for switching to alternative products.

Additionally, an administrative policy similar to the policy developed to eliminate single-serve bottled water purchase is under development. This administrative policy will provide guidance to staff about the prohibition of the City purchase of food that is served in EPS. The policy covers all City facilities and City employees when using City funds in purchasing cups, plates, and other food service ware as well as restaurant take-out food packaged in EPS and will assist staff in identifying acceptable alternatives. The policy does not apply to personal purchases made by City employees. This policy also provides exemption for public safety operations and

instances where dietary or other restrictions limit the availability to purchase non-EPS packaged food or when no alternative is available. Compliance and enforcement of this policy will emphasize education and training.

e-Stewards Enterprise for Responsible e-waste Disposal

On November 9, 2011, San José became the first city in the United States to earn the e-Stewards Enterprise designation. The e-Stewards Enterprise program, sponsored by the Basel Action Network, recognizes organizations that commit to making best efforts to use e-Stewards Certified recyclers for all of their e-waste recycling services. Recyclers certified under this program must demonstrate comprehensive environmental, health, and safety practices as well as robust measures to secure data that is often found on electronic devices. Such practices are important because e-waste often contains lead, cadmium, mercury, and other toxic chemicals. Improper processing and disposal of e-waste can be dangerous to the environment and human health.

As the Capital of Silicon Valley, San José has become a recognized leader in responsible e-waste management by processing all e-waste collected from San José homes, municipal facilities, and City-sponsored events at e-Stewards Certified recyclers. The e-Stewards Enterprise designation reinforces the City's practice of upholding the highest standards for the responsible management of e-waste, as currently delineated through the Environmentally Preferable Procurement Policy (Council Policy 4-6) and the City's recycling service agreements with private haulers.

Noteworthy Accomplishments for 2010-2011

During 2010-2011, the primary focus of the City's EP3 efforts continued to be on outreach to both City staff and outside agencies. To that end, the EP3 Implementation Team hosted two internal workshops in February and March. In contrast to the workshops of 2009-2010, these workshops focused on the various resources available both internal and external to the City, which can help in identifying and procuring environmentally preferable products.

Product Substitutions

The City of San Jose continues to substitute greener alternatives for conventional products in the commodities it buys routinely, such as paper, batteries, and janitorial products, its infrastructure purchases such as concrete and furniture, and in its service contract specifications. Attachment 1 shows the dollar amount of commodities that have been "greened", and the dollars purchased for each commodity in FY 2010-2011. There have been several innovations in green procurement. See Attachment 2 for a sampling of green product innovations.

Green Fleet Administrative Policy

Work continues to replace fleet vehicles with alternative fuel vehicles. At this point, 4.2% of the City fleet is made up of hybrid vehicles (104 vehicles) and 42.7% of the overall fleet is alternative fuel. In 2010-2011, the City took delivery on 14 new diesel-powered vehicles that meet 2010 emission standards and are far cleaner than the gasoline-powered vehicles they

replace. 22 older diesel vehicles were retired in this same time period. The City continues to use biodiesel 20 in its 585 diesel powered vehicles which make up 89% of the total diesel fleet. Purchases of biodiesel 20 in 2010-2011 reduced emissions of a variety of pollutants including particulate matter (12%), CO₂ (16%), and sulfur dioxide (20%). In all, 3.8 million pounds of CO₂ emissions were avoided with the City's use of biodiesel 20.

Additionally, the City's fifteen year commercial solid waste franchise agreement with Republic Industries will include 46 new heavy duty vehicles that run on compressed natural gas (CNG); these trucks will collect solid waste and recycling at 5,000 businesses Citywide beginning July 2012. With contract amendments executed in 2011, alternative fuel vehicles will also be deployed in the City's residential solid waste collection contracts as well over the next few years.

Ricoh Multifunction Printing and Copying

During the fiscal year, the Finance Department conducted a pilot program to remove standalone printers and move print volume to existing, more energy-efficient multi-function devices within the Finance Department. The changes resulted in substantial cost savings and the program is being expanded to the rest of the City facilities. Multi Function Devices (MFDs) are less expensive to operate and have significantly better environmental performance than the standalone printers they replace. The full transition to Ricoh equipment is anticipated to save the City in excess of \$300,000 in all funds annually as well as significantly reduced ozone emissions, electrical usage, infrastructure demands and improved workflow.

Environmental Procurement and Green Building Certification

Originally adopted by Council in 2001 and updated in 2007, the City's Municipal Green Building Policy (Policy 8-13) requires all new municipal buildings over 10,000 square feet achieve LEED® Silver certification using the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) Rating System and to identify opportunities to LEED certify existing municipal buildings. Environmental purchasing and green cleaning purchases support this policy and contribute significantly towards the 50 point minimum required to achieve LEED® Silver. In FY 2010-2011 four City facilities achieved LEED certification: East San Jose Carnegie Branch Library (LEED® Silver), San José International Airport North Concourse and Terminal B (LEED® Silver), and Edenvale Great Oaks Community Center (LEED® Gold).

Infrastructure Innovations

Energy Efficiency

At this time, based on the available technology and federal and state incentives, solar PV (photovoltaic) is a significant renewable energy source and is one of the major elements of the City's strategy for increasing the use of renewable energy by municipal facilities. In terms of financing, Power Purchase Agreements (PPAs), in which a private entity builds, owns, and operates the solar array and the City pays only for the power it generates, is the most viable way of installing solar PV on City facilities due to there being no upfront capital costs. The PV array

constructed at the Central Services Yard and paid for through a PPA, became operational in December 2010 and is expected to deliver 75% of the facility's total electricity needs.

Consistent with the City's Green Vision to obtain 100% of its energy from renewable resources, and building on the success of the aforementioned solar installation at the Central Service Yard, the City completed a comprehensive RFP process that will allow for the installation of solar arrays using power purchasing agreements at facilities throughout the City. The first four installations at the PAL, Kelly Park, South Service Yard and Municipal Water Offices are currently being scheduled for construction.

Through the Energy Efficiency and Conservation Block Grant (EECBG) stimulus funds from the federal government and the City's Energy Fund, the City conducted a variety of energy efficiency projects wherein energy efficient lighting, including LEDs, and HVAC equipment were installed at the following municipal sites: Almaden/Woz Parking Lot, Brigadoon Park, Camden Community Center, City Hall, Guadalupe River Bike Path, Mabury Service Yard, Prusch Park, Police Communications building, Roosevelt Community Center, St. James Park and Willow Glen Community Center. Projects completed in 2010-2011 will result in approximately \$60,000 in energy cost savings to the City. More detail on energy related purchasing is available in the quarterly energy report presented at the March 2012 Transportation and Environment Committee meeting.

Paving Innovations

The Department of Transportation continues to utilize greener building materials and resurfacing strategies. In FY 2010-2011, the City utilized "cold in-place recycling" to resurface Monterey Road. The process recycles asphalt into new pavement, reducing the need for new material and waste generation. Additionally, 17,000 old tires were a constituent used in the surface layer of the roadway. This particular project avoided the use of 11,000 tons of rock, 800 tons of oil, and the generation of 11,000 tons of "pavement spoils." 1,400 truck trips were avoided as well, reducing energy consumption and the generation of greenhouse gases and other air pollutants. The process is 20% cheaper than conventional construction, and initial tests indicate that it is stronger than expected. Where appropriate, this paving strategy will be used in other resurfacing projects.

Request for Proposal (RFP) Revisions

Several RFPs for service contracts were revised to more fully incorporate environmental procurement and environmental management into them. For instance, environmental management language was submitted for inclusion in the operating agreement with First Act for management of the Mexican Heritage Plaza. The language includes such EP3 concerns as the avoidance of plastic food service ware that cannot be recycled locally, no single-serve bottled water, and procurement of environmentally preferable products. Additionally, language was incorporated into the Community Clean-Up RFP that addressed Integrated Pest Management, energy-efficient equipment, and recycled content products. The CarShare RFP included boilerplate language about the EP3 as well. Environmental procurement was also an important

component of the Environmental Services Department (ESD) management of Christmas in the Park event for 2011.

Outreach and Regional Efforts

San José is recognized as a leader in environmental procurement and as such, is invited to speak regularly on the topic. In 2010-2011, San Jose's environmental procurement experts spoke at the annual meeting of the California Association of Public Purchasing Officers, the California Water Environment Association meeting and the state-wide Green California Summit.

Plans for 2011-2012

The City Auditor recently released an audit of the City's contract with OfficeMax to determine if City purchasers are taking advantage of discounts available through Office Max, and if all discounts stated in the contract have been provided. Additionally, the audit reviewed to what extent the City's OfficeMax purchases have complied with the EP3. It was found that 50% of toner cartridge purchases and 8% of paper purchases were for items that did not meet the EP3, costing the City \$58,000. Staff will work with OfficeMax to enhance their electronic catalog to direct purchasers to products that meet the City's EP3 objectives.

Additionally, the EP3 Steering Committee and the EP3 Implementation Team plan to continue to implement the EP3 Multi-year Strategic Plan. Priority tasks for 2011-2012 year include:

- 1) Working with other Bay Area cities to address packaging materials in procurement.
- 2) Implementing the new elements of the EP3 on the procurement of food service ware.
- 3) Expanding the use of rechargeable batteries in City operations.
- 4) Continuing support of the City's Green Building efforts as they relate to procurement.
- 5) Leveraging Grant opportunities to procure electric vehicles for the City's municipal fleet.

EVALUATION AND FOLLOW-UP

Staff provides annual progress updates to the Transportation and Environment Committee.

PUBLIC OUTREACH/INTEREST

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- 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. **(Required: E-mail and Website Posting)**

- 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. **(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, 2012 Transportation and Environment Committee meeting.

COORDINATION

This memorandum has been coordinated with the Departments of Aviation, Transportation, Fire, Public Works, Parks, Recreation and Neighborhood Services, and the City Attorney's Office.

FISCAL/POLICY ALIGNMENT

This memorandum supports implementation of the Urban Environmental Accords and aligns with Green Vision Goal 2 to "reduce per capita energy use by 50%", Goal 3 to "receive 100 percent of our electrical power from clean renewable sources", Goal 4 "to build or retrofit 50 million square feet of green buildings", Goal 5 "to divert 100% of waste from our landfills", Goal 8 "Ensure that 100% of public fleet vehicles run on alternative fuel", and Goal 9 to "replace 100% of our streetlights with smart, zero emission lighting".

CEQA

Exemption File #PP12-019.

/s/
JULIA H. COOPER
Acting Director, Finance

/s/
KERRIE ROMANOW
Acting Director, Environmental Services

For questions please contact Linden Skjeie, Supervising Environmental Services Specialist, Environmental Services Department at (408) 975-2577.

Attachment 1: Green Purchases

Attachment 2: EP3 Successes Matrix – FY 2010- 2011

Attachment 3: Environmentally Preferable Procurement Policy 4 – 6 Revision