



<b>RCRS Secondary:</b>	GOV-02	<b>Effective Date:</b>	
<b>Policy Number:</b>	COU	<b>Amendment Date/s:</b>	
<b>Title:</b>	Sustainable Procurement Policy	<b>Repeal Date:</b>	
<b>Department:</b>	Finance	<b>Approval Date:</b>	

**PURPOSE:**

The purpose of the Sustainable Procurement Policy (the Policy) is to leverage the City’s procurement activities to advance a range of environmental, social, and ethical objectives from the City’s Strategic Plan.

**DEFINITIONS:**

**Circular Economy** – Defined by the Ellen MacArthur Foundation as an economic model based on designing out waste and pollution, keeping products and materials in use, and regenerating natural ecosystems.

**Diverse Suppliers** – Are majority-owned, managed, and controlled by individuals from equity-seeking groups that have historically faced barriers to employment and/or economic opportunity.

**Environmental Priorities** – Seek goods and services that have been produced, delivered, used, and disposed of in ways that reduce environmental impacts and seek innovations that drive positive outcomes.

**Equity Seeking Groups** – Often referred to as marginalized populations, including, but not limited to, Indigenous, women, racialized minorities, persons with disabilities, newcomers, and LGBTQ+ persons.

**Ethical Priorities** – Strive to ensure that contractors and their sub-contractors meet internationally recognized minimum ethical supply chain standards.

**Reconciliation** – Defined by the Truth and Reconciliation Commission of Canada as establishing and maintaining mutually respectful relationships between Aboriginal/Indigenous and non-Aboriginal peoples in this country.

**Social Priorities** – Foster social value and enhance community health and well-being by advancing reconciliation, inclusion, equity and diversity.

**Sustainable Procurement** – Seeks to maximize opportunities to advance positive environmental, social, and ethical impacts and reduce negative impacts while ensuring fiscal responsibility, meeting cost and quality requirements and respecting trade agreements. Will consider both the sustainability impacts of a good or service as well as a supplier’s own corporate sustainability practices.

**Total Cost of Ownership (TCO)** – Defined by the Sustainable Purchasing leadership Council (SPLC) as a financial estimate intended to help buyers and owners determine the direct and indirect costs of a product or system over the lifetime of its use and disposal.

**SCOPE:**

The Policy applies to all procurement activities including goods, services, and capital projects, where applicable and when relevant. The extent to which sustainability will be incorporated into any procurement, will be dependent on the value, potential for impact or opportunity, and/or the market readiness of the suppliers.

**Responsibilities****Council**

- Set direction around sustainable procurement priorities and goals, and
- Receive regular updates and reports to set future priorities.

**Directors/Designates**

- Align sustainable procurement with other City of Nanaimo programs and initiatives,
- Demonstrate support for sustainable procurement through promotion and communications of the Policy requirements and priorities within their department, and
- Review and manage resourcing if/when needed and as appropriate.

**Employees (Procurement Department)**

- Develop and maintain sustainable procurement processes, tools and resources to ensure solicitations incorporate Sustainable Procurement Policy mandates,
- Collaborate and assist client department staff with incorporating sustainability considerations into category procurement strategies, specifications and procurement processes,
- Collaborate with City staff and suppliers and participate in sustainable procurement committees and/or aligned initiatives,
- Provide sustainable procurement communications and training for staff and suppliers, and
- Lead data collection, compliance and program monitoring.

**Employees (Client Departments & End users)**

- Identify sustainability issues and seek opportunities for innovation in upcoming purchases,
- Incorporate sustainability considerations into project planning, contract/purchase decisions, and specifications development, utilizing sustainable procurement tools and resources,
- Participate in sustainable procurement training and support internal collaboration that facilitates procurement and process efficiencies, and
- Support sustainable procurement reporting by providing departmental data if relevant.

**Finance**

- Monitor overall program progress towards established goals, and
- Maintain adequate resourcing for program implementation.

**POLICY:**

The Policy aims to further align procurement with the City's core vision of being a livable sustainable city.

The City recognizes that:

- Its procurement and supply chain practices can have significant impacts and that the City has a responsibility to assess and address those impacts in a transparent manner.
- Considering sustainability impacts in procurement allows the City to fulfill Strategic Plan commitments while maintaining fiscal responsibility by considering total cost of ownership.
- The inclusion of sustainability considerations in the procurement process will signal to potential suppliers the City's commitment to local priorities and global sustainable development goals

and will encourage suppliers to innovate and offer more environmentally and socially responsible goods and services.

This means that when the City is making procurement decisions, procurement staff and budget holders will, according to the significance and complexity of the procurement:

1. Consider the sustainability impacts of goods and services in sourcing strategies to identify likely environmental, social, or ethical issues related to a given procurement.
2. Integrate the most relevant desired or mandatory sustainability requirements into competitive bid specifications, solicitation documents and selection processes.
3. Where applicable, include sustainability as part of evaluation processes, alongside other criteria like price, quality, and service, for which weighting will be determined case by case.
4. Communicate with suppliers about the City's sustainable procurement practices and engage with suppliers when opportunities arise to improve their sustainability performance.
5. Incorporate sustainability considerations into standard vendor management and contract compliance practices where appropriate.
6. Set measures to monitor progress of sustainable procurement implementation as well as the benefits achieved.

## **PROCESS:**

### **Sustainability Priorities**

There are many possible sustainability issues and opportunities across the breadth of a City's supply chain. Nanaimo City Council has identified the following environmental, social, and ethical topics as the current focal priorities for the City's sustainable procurement program and Policy. While any highly relevant sustainability topic may be considered, depending on what is being purchased, primary emphasis will be given to the sustainable development priorities listed below.

#### Environmental Priorities:

1. **Climate Action.** Reduce energy use and greenhouse gas (GHG) emissions to mitigate climate change and air pollution.
2. **Zero Waste.** Strive for product durability and waste reduction practices to foster responsible production and consumption patterns towards a circular economy.
3. **Pollution Prevention.** Seek opportunities for water conservation and pollution prevention to support the protection of biodiversity and natural ecosystems.

#### Social Priorities:

4. **Diversity.** Contract diverse suppliers and social enterprises to promote local economic resilience and a diverse, sustainable City.
5. **Local Employment.** Contract vendors that can provide employment and training opportunities for individuals in the local community with barriers to employment to help reduce poverty.
6. **Inclusion.** Seek opportunities to provide contracting, employment and skills training for Indigenous persons and other Equity-Seeking Groups.

#### Ethical Priorities:

7. **Fair compensation.** Contract vendors that provide livable wages for employees to meet their basic needs and reduce poverty.
8. **Labour Standards.** Uphold human rights and fair labour practices through accountability and transparency in the supply chain.

9. **Health and Safety.** Support good health and wellbeing for workers through upholding workplace health and safety standards.

Detailed sustainable procurement procedures for staff, including a Toolkit, will be developed to guide the integration of sustainability proportionately into low-value purchases, competitive bid processes, and capital project solicitations.

This policy shall be reviewed in 3 years from its effective date to determine its effectiveness and appropriateness. This policy may be assessed before that time as necessary to reflect organizational change.

**RELATED DOCUMENTS:**

The Sustainable Procurement Policy is intended to operate in accordance with the City of Nanaimo's Procurement Policy and other applicable national and international trade agreements as follows:

New West Partnership Trade Agreement  
Canadian Free Trade Agreement  
Comprehensive Economic and Trade Agreement

**REPEAL/AMENDS:**

N/A