



## Sample Climate-Friendly Purchasing Policy

The Institute's sample Climate-Friendly Purchasing policy focuses on purchasing practices that help address climate change. Climate-friendly purchasing is the procurement or acquisition of goods and services that are a lesser or reduced source of greenhouse gas emissions when compared with competing goods or services that serve the same purpose.

### Climate-Friendly Purchasing Distinguished from Environmentally Preferable Purchasing

Consistent with the Institute for Local Government Climate Change Program's mission, the sample policy focuses on climate change. This distinguishes it from "Environmentally Preferable Purchasing" policies that also address other environmental concerns, like reducing toxic waste and limiting the use of harmful chemicals in the workplace.<sup>1</sup> Many useful environmentally preferable purchasing resources are available to help local agencies implement climate-friendly purchasing programs.<sup>2</sup>

- [Green Purchasing: A Guide for Local Governments and Communities](#) (New Jersey)
- [Environmental Purchasing Policies 101](#) (Commission for Environmental Cooperation)
- [National Association of Counties Environmental Purchasing Starter Kit](#)
- [Environmentally Preferable Purchasing Resources for California Local Governments](#) (Green Purchasing Institute)
- [How to Make an Environmental Purchasing Program Work](#) (King County, Washington)
- [Environmentally Preferable Purchasing Best Practices Manual](#) (California Department of General Services)

### Steps to Adopting a Climate-Friendly Purchasing Policy

Agencies setting up a climate-friendly purchasing program can benefit from the experiences of agencies that have engaged in environmentally preferable purchasing. A number of

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<sup>1</sup> These goals are also worthwhile; an agency that goes through the trouble of evaluating its purchases and making changes may want to take advantage of the opportunity to reduce toxic waste and the use of harmful chemicals as well.

<sup>2</sup> Although not limited to purchasing, the University of California Policy on Sustainable Practices ([www.ucop.edu/facil/sustain/documents/policy\\_sustain\\_prac.pdf](http://www.ucop.edu/facil/sustain/documents/policy_sustain_prac.pdf)) may also serve as a useful reference for local agencies.

agencies that have implemented environmentally preferable purchasing programs followed several basic steps.<sup>3</sup>

1. **Perform Climate Impact Audit** -- Reviewing the climate impact of agency activities allows an agency to examine in-house operations in relation to the purchase, use and consumption of goods and services. A survey or questionnaire can help document present procurement practices and identify opportunities for climate-friendly purchasing. The [National Association of Counties Environmental Purchasing Starter Kit](#) provides a simple checklist for collecting this information.
2. **Establish Policy Statement** -- The National Association of Counties recommends adopting a purchasing resolution if your agency does not have one yet (see a sample resolution in [National Association of Counties Environmental Purchasing Starter Kit](#)). This resolution can help build, institutionalize, and gain management support for a climate-friendly purchasing program.
3. **Establish Interdepartmental Coordination Team** -- After adopting a policy, establish an interdepartmental coordination team. Purchasing in any organization involves a number of people. Some people request products or services while others procure goods and award contracts. One way to incorporate climate elements into the purchasing process is to form a team of individuals with purchasing and environmental expertise. In a small community, a team may consist of only two or three people. In large agencies, the best option might be to assemble a group of people from various units. The team approach is also an effective means of gaining support.
4. **Develop Climate-Friendly Purchasing Goals** -- Establish specific goals for the climate-friendly purchasing program. A key lesson from successful climate-friendly purchasing programs is to start with changes that are simple, easy to implement, and save dollars immediately. Upon inception, a program may focus on a single goal (like buying recycled paper) and then gradually expand its scope to encompass multiple goals. The goals should be based on the actions that an organization can take without unduly affecting the performance and cost of products and services. The attainment of the goals and resulting benefits must be closely monitored and measured for ease of validation and transparency.
5. **Obtain Wide Support** -- Secure support for climate-friendly purchasing from all levels of the organization. To reinforce support from the governing body and top management, staff should report back to the governing body with the goals developed in Step 4 and the progress achieved so far. Securing the governing body's support for particular goals helps build support and interest throughout the organization.

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<sup>3</sup> Adapted from New Jersey Department of Environmental Protection [Green Purchasing: A Guide for Local Governments and Communities](#) (February 2006).

Employee participation and feedback, including suggestions for improvement, are also critical to the program's success. There are several ways of increasing employee participation, including the use of incentives (for example, staff bonuses), sponsorship of competitions between departments, and inclusion of environmental performance as part of the annual staff reviews.

Typically, new programs may be welcomed with more enthusiasm by some parts of an agency than by others. Implementation may not be consistent throughout the organization. Good internal communications can enable units that are ahead to share their experience and motivate others to follow. Sharing of information and updates on the program can be done through newsletters, staff meetings, or e-mail announcements.<sup>4</sup>

## **Institute Sample Policy as a Starting Point**

The Institute's sample policy provides a starting point for local agencies in California that want to adopt a climate-friendly procurement policy or revise an existing procurement policy to make it climate-friendly.

Many of the recommended policies in the "Sample Climate-Friendly Purchasing Policy" come from the Institute for Local Government's Climate Change Program Best Practices Framework ([www.ca-ilg.org/climatepractices](http://www.ca-ilg.org/climatepractices)). This Best Practices Framework offers suggestions for local action in ten Climate Leadership Opportunity Areas<sup>5</sup>, both in agency operations and in the community at large. Best Practices included in this Framework may be used to develop focused, subject-area-specific programs, or may be included in the development of broader, more comprehensive efforts.

This Best Practices Framework is the result of extensive collaboration over the past year by the Institute for Local Government's Climate Change Program with a wide array of technical advisors from local government, investor-owned and municipal utilities, the waste management industry, non-profit organizations, state agencies and other partners. The Institute's Climate Change Program welcomes feedback on the Best Practices Framework, and invites cities and counties to share their experiences implementing these, or other, climate change program ideas. Please contact us at [climatechange@ca-ilg.org](mailto:climatechange@ca-ilg.org).

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<sup>4</sup> Reporting back to management may also be considered a basic step. Annual updates at a city council, board of supervisors or other similar public meeting could be included as a main component.

<sup>5</sup> The categories are 1) Energy Efficiency and Conservation, 2) Water and Wastewater Systems, 3) Green Building, 4) Waste Reduction and Recycling, 5) Climate-Friendly Purchasing, 6) Renewable Energy and Low-Carbon Fuels, 7) Efficient Transportation, 8) Land Use and Community Design, 9) Storing and Offsetting Carbon Emissions, 10) Promoting Community and Individual Action.

## LOCAL AGENCY CLIMATE-FRIENDLY PURCHASING POLICY

### 1.0 PURPOSE

Climate-friendly purchasing is a key element of local agency efforts to reduce greenhouse gas emissions and combat climate change, both in its own operations and throughout the community. Buying climate-friendly products and services harnesses the purchasing power of public agencies to reduce greenhouse gas emissions and encourage others to do likewise.<sup>6</sup>

Climate-friendly purchasing practices include purchasing products that are durable, contain recycled content, and promote waste reduction and reuse.<sup>7</sup> It also can mean doing business with service providers who also engage in climate-friendly practices. Accordingly, the Agency is committed to purchasing specific climate-friendly products to the extent practicable.<sup>8</sup>

### 2.0 POLICY

Consistent with the Institute for Local Government's Climate Change Program Best Practices Framework,<sup>9</sup> the Agency adopts the following policies.

1. **Energy Efficiency and Conservation.** It is the policy of the Agency to purchase:
  - a. Environmentally preferable products and services where criteria have been established by governmental or other widely recognized authorities, like GreenSeal<sup>10</sup> or EcoLogo.<sup>11</sup>

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<sup>6</sup> San Mateo County Environmental Purchasing Policy, City of San Jose, *Environmentally Preferable Procurement Policy* (9/25/01). Climate-Friendly Purchasing can influence the behavior of other sectors, such as the business community, by setting an example and by sending clear signals to the market that public agencies demand climate-friendly products. The purchasing decisions of a local agency can have significant market influences. When public sector purchasing policies favor ecologically sensible products and services, these goods become more readily accessible to individuals and smaller businesses. It therefore makes sense, economically as well as environmentally, for local agencies to establish and implement Climate-Friendly Purchasing programs. See New Jersey Department of Environmental Protection, *Green Purchasing: A Guide for Local Governments and Communities* (February 2006).

<sup>7</sup> A proven beginning strategy in climate-friendly purchasing consists simply of buying products with recycled content that are themselves recyclable. In the last decade, government entities and businesses throughout the country have launched strong "buy recycled" programs. See New Jersey Department of Environmental Protection, *Green Purchasing: A Guide for Local Governments and Communities* (February 2006).

<sup>8</sup> "Practicable" means whenever possible and compatible with local, state and federal law, without reducing safety, quality, or effectiveness and where the product or service is available at a reasonable cost in a reasonable period of time. See Stopwaste.org, *Environmentally Preferable Purchasing Model Policy* (revised 9/26/06). Information about where to obtain climate-friendly products is available at [www.ca-ilg.org/purchasing](http://www.ca-ilg.org/purchasing).

<sup>9</sup> See [www.ca-ilg.org/climatepractices](http://www.ca-ilg.org/climatepractices).

- b. Third-party certified energy efficient traffic signal and street lighting systems.<sup>12</sup>
  - c. New equipment meeting Energy Star<sup>13</sup> or comparable energy efficiency standards.
  - d. Computers meeting the EPEAT<sup>14</sup> “bronze” certification level or higher.<sup>15</sup>
2. **Water and Wastewater Systems.**<sup>16</sup> It is the policy of the Agency to purchase:
- a. Energy efficient water/waste water motors and pumps.
  - b. Plants, mulch, and irrigation equipment selected to use water efficiently.
3. **Green Building.** It is the policy of the Agency to purchase materials and building systems that support attainment of at least LEED Silver certification standards for agency funded buildings and renovations.<sup>17</sup>

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<sup>10</sup> “Green Seal” is an independent, non-profit environmental labeling organization. See [www.greenseal.org/](http://www.greenseal.org/). A list of Green Seal certified products and services is available at [www.greenseal.org/findaproduct/](http://www.greenseal.org/findaproduct/).

<sup>11</sup> EcoLogo is an environmental standard and certification organization. See [www.ecologo.org/en/](http://www.ecologo.org/en/).

<sup>12</sup> The Institute for Local Government’s Climate Change Best Practices Framework recommends replacing incandescent traffic and crosswalk lights with light-emitting diodes (LEDs). See [www.ca-ilg.org/energyefficiency](http://www.ca-ilg.org/energyefficiency).

<sup>13</sup> “Energy Star” is a voluntary energy efficiency labeling program derived from a partnership between the U.S. Environmental Protection Agency and the U.S. Department of Energy. All products displaying the Energy Star label meet Federal Energy Management Program standards. Typically, this means that labeled products are in the top 25 percent of all similar products when ranked by energy efficiency, and use 25 to 50 percent less energy than their traditional counterparts. See [www.energystar.gov/](http://www.energystar.gov/).

<sup>14</sup> Electronic Product Environmental Assessment Tool, a procurement tool to help large volume purchasers in the public and private sectors evaluate, compare, and select desktop computers, notebooks, and monitors based on their environmental attributes. See [www.epeat.net/](http://www.epeat.net/). A list of purchasing resources is available at [www.epeat.net/Procurement.aspx](http://www.epeat.net/Procurement.aspx).

<sup>15</sup> EPEAT certification levels are bronze, silver and gold. See [www.epeat.net/search.aspx](http://www.epeat.net/search.aspx).

<sup>16</sup> This item will not apply to all agencies, but it is a recommended best practice for agencies that operate their own water and wastewater systems. See Institute for Local Government’s Climate Change Program Best Practices Framework, Water and Wastewater Systems ([www.ca-ilg.org/water](http://www.ca-ilg.org/water)).

<sup>17</sup> The Leadership in Energy and Environmental Design (LEED) is the Green Building Rating System™ developed and administered by the U.S. Green Building Council ([www.usgbc.org](http://www.usgbc.org)). LEED encourages global adoption of sustainable green building and development practices through the creation and implementation of universally understood and accepted tools and performance criteria. See also Institute for Local Government’s Climate Change Program Best Practices Framework, Green Building ([www.ca-ilg.org/greenbuilding](http://www.ca-ilg.org/greenbuilding)); City of San Jose, *Environmentally Preferable Procurement Policy* (rev. 3/20/07).

#### 4. Waste Reduction and Recycling.<sup>18</sup>

- a. It is the policy of the Agency to purchase:
  - 1) Durable and reusable products that reduce waste.
  - 2) Recycled content plastic items (examples include refuse and recycling receptacles, decking, parking lot barriers and furniture).<sup>19</sup>
  - 3) Recycled content metal items (examples include signage, office furniture and waste receptacles).<sup>20</sup>
  - 4) Recycled (rerefined) oil and oil-related products.<sup>21</sup>
  - 5) Recycled content office and facilities furniture and furnishings.<sup>22</sup>
  - 6) Office paper (copy paper, printer paper, writing pads, stationery, envelopes and business cards) containing at least 30 percent post consumer recycled content.<sup>23</sup>
  - 7) Other paper (paper towels, toilet paper, napkins and similar items) containing 100 percent post consumer recycled content.<sup>24</sup>
- b. The Agency will require all recyclers of the Agency's electronic equipment to have signed the Electronics Recyclers Pledge of True Stewardship, agreeing to a rigorous set of environmental criteria. The Pledge, and a list of recyclers who have signed, is available at <http://www.ban.org/pledge1.html>. In cases where the Agency has established recycling "take-back" programs<sup>25</sup>, the Agency will ensure that

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<sup>18</sup> If fitness and quality are equal, local agencies must purchase recycled products, as defined in Cal. Public Contract Code section 12200, instead of nonrecycled products whenever recycled products are available at the same or a lesser total cost than nonrecycled items. Cal. Pub. Cont. Code § 22150(a). See US EPA Comprehensive Procurement Guidelines ([www.epa.gov/cpg/](http://www.epa.gov/cpg/)).

<sup>19</sup> See for example the California Department of General Services' Best Practice Manual [www.green.ca.gov/EPP/Furnisher/RPLumber.htm](http://www.green.ca.gov/EPP/Furnisher/RPLumber.htm).

<sup>20</sup> See US EPA Comprehensive Procurement Guidelines ([www.epa.gov/cpg/](http://www.epa.gov/cpg/)).

<sup>21</sup> The California Department of General Services' Best Practice Manual calls for rerefined lubricating oils with at least 70 percent rerefined base stock ([www.green.ca.gov/EPP/Vehicles/MotorOil.htm](http://www.green.ca.gov/EPP/Vehicles/MotorOil.htm)). Local agencies must buy lubricating oil and industrial oil from the seller whose oil product contains the greater percentage of recycled oil, if the availability, fitness, quality, and price of the recycled oil product is otherwise equal to, or better than, virgin oil products. Cal. Pub. Cont. Code § 10409. The requirement to use recycled oil does not apply to vehicles whose warranties expressly prohibit the use of products containing recycled oil. Cal. Pub. Cont. Code § 10409.

<sup>22</sup> For specifications, see the California Integrated Waste Management Board Modular Office Furniture Specification ([www.ciwmb.ca.gov/greenbuilding/Specs/Furniture/](http://www.ciwmb.ca.gov/greenbuilding/Specs/Furniture/)) See also the Business and Institutional Furniture Sustainability Standard (E3-2008) at [www.bifma.org](http://www.bifma.org).

<sup>23</sup> For specifications, see the California Department of General Services' Best Practice Manual at [www.green.ca.gov/EPP/Paper/Copier/default.htm](http://www.green.ca.gov/EPP/Paper/Copier/default.htm) and [www.green.ca.gov/EPP/Paper/other.htm](http://www.green.ca.gov/EPP/Paper/other.htm). Cal. Pub. Cont. Code § 12209(b)(1). This statute provides the minimum recycled content amount for several products. All printing contracts made by any local public entity must provide that the paper used meets the recycled content requirements of Cal. Public Contract Code section 12209. Cal. Pub. Cont. Code § 22153.

<sup>24</sup> Cal. Pub. Cont. Code § 12209(a).

<sup>25</sup> Take-back programs give manufacturers the physical responsibility for products or packaging at the end of their useful lives. By accepting used products, manufacturers can acquire low-cost feedstock for new

the manufacturer adheres to similarly high standards of responsible recycling.<sup>26</sup>

- c. The Agency requires that a take-back program be offered for packaging of electronics products and will give preference to take-back programs that are provided free of charge. The Agency will also give preference to packaging that is reusable, contains a minimum of hazardous and non-recyclable materials, and meets or exceeds the recycled material content levels in the US EPA Comprehensive Procurement Guidelines for Paperboard and Packaging.
  - d. Packing materials must abide by at least one of and preferably all of the criteria listed below:
    - 1) Made from 100 percent post-consumer recycled materials and be recyclable, reusable, or
    - 2) Be non-toxic,
    - 3) Be biodegradable,
    - 4) Be produced with the minimum of resources and sized as small as practicable, while still maintaining product protection during shipping. Unnecessary packaging materials should be eliminated.
5. **Renewable Energy and Low Carbon Fuels.** It is the policy of the Agency to purchase:
- a. Fuel efficient and alternative fuel vehicles.<sup>27</sup>
  - b. Photovoltaic systems or other renewable sources of energy.<sup>28</sup>
  - c. Services involving vehicles from service providers that use alternative fuel vehicles (for example public transportation, waste hauling and recycling, and construction).<sup>29</sup>

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manufacturing or remanufacturing activities, and offer a value-added service to the buyer. Many companies have made take-back an essential part of their business operations. Currently, most take-back programs in the U.S. are voluntary, while legislation in many European countries requires manufacturers to take responsibility for the waste costs associated with their products and packaging. See US Small Business Administration at [www.business.gov/guides/environment/product-development/take-back.html](http://www.business.gov/guides/environment/product-development/take-back.html).

<sup>26</sup> University of California Policy on Sustainable Practices

([www.ucop.edu/facil/sustain/documents/policy\\_sustain\\_prac.pdf](http://www.ucop.edu/facil/sustain/documents/policy_sustain_prac.pdf))

<sup>27</sup> Institute for Local Government's Climate Change Program Best Practices Framework, Renewable Energy and Low-Carbon Fuels ([www.ca-ilg.org/renewable](http://www.ca-ilg.org/renewable)).

<sup>28</sup> Institute for Local Government's Climate Change Program Best Practices Framework, Renewable Energy and Low-Carbon Fuels ([www.ca-ilg.org/renewable](http://www.ca-ilg.org/renewable)).

<sup>29</sup> Institute for Local Government's Climate Change Program Best Practices Framework, Climate-Friendly Purchasing ([www.ca-ilg.org/purchasing](http://www.ca-ilg.org/purchasing)).



### 3.0 DEFINITIONS

**Institute for Local Government Sustainability/Climate Change Program Best Practices Framework** is a collection of steps and actions that cities and counties can take to help reduce greenhouse gas emissions in agency facilities and in the community at large.<sup>30</sup>

**California Climate Action Registry** is a nonprofit organization that enables businesses, governmental bodies, local communities, and others to document and report their direct and indirect emissions inventories through a greenhouse gas emission calculation and reporting tool, the Climate Action Registry Reporting Online Tool (CARROT).<sup>31</sup>

**Climate-Friendly Purchasing** is the procurement or acquisition of goods and services that are a lesser or reduced source of greenhouse gas emissions when compared with competing goods or services that serve the same purpose.<sup>32</sup> This comparison takes into consideration, to the extent feasible, raw materials acquisition, production, manufacturing, packaging, distribution, reuse, operation, maintenance, disposal, energy efficiency, product performance, durability, safety, the needs of the purchaser, and cost.<sup>33</sup>

**EcoLogo** is an environmental standard and certification organization.<sup>34</sup>

**Energy Star** is a voluntary energy efficiency labeling program derived from a partnership between the U.S. Environmental Protection Agency and the U.S. Department of Energy. All products displaying the Energy Star label meet Federal Energy Management Program standards. Typically, this means that labeled products are in the top 25 percent of all similar products when ranked by energy efficiency, and use 25 to 50 percent less energy than their traditional counterparts.<sup>35</sup>

**EPEAT** (Electronic Product Environmental Assessment Tool) is a procurement tool to help large volume purchasers in the public and private sectors evaluate, compare, and select desktop computers, notebooks, and monitors based on their environmental attributes.<sup>36</sup>

**Green Seal** is an independent, non-profit environmental labeling organization.<sup>37</sup>

**LEED** (Leadership in Energy and Environmental Design) is the Green Building Rating System™ developed and administered by the U.S. Green Building Council.<sup>38</sup>

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<sup>30</sup> See [www.ca-ilg.org/climatepractices](http://www.ca-ilg.org/climatepractices).

<sup>31</sup> Cal. Health & Safety Code §§ 42800 and following. See [www.climateregistry.org/](http://www.climateregistry.org/).

<sup>32</sup> State law defines "environmentally preferable purchasing" as the procurement or acquisition of goods and services that have a lesser or reduced effect on human health and the environment when compared with competing goods or services that serve the same purpose. Cal. Pub. Cont. Code § 12400.

<sup>33</sup> Cal. Pub. Cont. Code § 12400.

<sup>34</sup> See [www.ecologo.org/en/](http://www.ecologo.org/en/).

<sup>35</sup> See [www.energystar.gov/](http://www.energystar.gov/).

<sup>36</sup> See [www.epeat.net/](http://www.epeat.net/). A list of purchasing resources is available at [www.epeat.net/Procurement.aspx](http://www.epeat.net/Procurement.aspx).

<sup>37</sup> See [www.greenseal.org/](http://www.greenseal.org/). A list of Green Seal certified products and services is available at [www.greenseal.org/findaproduct/](http://www.greenseal.org/findaproduct/).

<sup>38</sup> See [www.usgbc.org](http://www.usgbc.org).



**Practicable** means whenever possible and compatible with local, state and federal law, without reducing safety, quality, or effectiveness and where the product or service is available at a reasonable cost in a reasonable period of time.<sup>39</sup>

#### 4.0 IMPLEMENTATION

The Agency is committed to procuring climate-friendly goods and services that meet its performance standards and requirements at a competitive cost. Nothing contained in any policy regarding climate-friendly purchasing may be construed as requiring the acquisition of goods or services that do not perform adequately for their intended use, exclude adequate competition, or are not available at a reasonable price in a reasonable period of time.<sup>40</sup>

1. The Agency will create an interdepartmental team to 1) promote implementation of the Climate-Friendly Purchasing policy, 2) track policy adherence, and 3) suggest additional items to be included in the policy. The Agency will develop procedures to ensure that it can take advantage of climate-friendly improvements in products, services and practices.<sup>41</sup>

#### **Policy Option: Life Cycle Pricing**

When comparing costs, the Agency does not focus exclusively on the quoted vendor pricing, but also the costs over the life of the product. This includes the initial cost along with maintenance, operating, insurance, disposal, recycle or replacement, and potential liability costs. Examining life cycle costs will save money by ensuring that the Agency is quantifying the total cost of ownership before making purchasing decisions.<sup>42</sup>

<sup>39</sup> See Stopwaste.org, *Environmentally Preferable Purchasing Model Policy* (revised 9/26/06). Information about where to obtain climate-friendly products is available at [www.ca-ilg.org/purchasing](http://www.ca-ilg.org/purchasing).

<sup>40</sup> This language comes from the State of California's environmental purchasing statute. See Cal. Pub. Cont. Code § 12403.

<sup>41</sup> Institute for Local Government's Climate Change Program Best Practices Framework, Climate-Friendly Purchasing ([www.ca-ilg.org/purchasing](http://www.ca-ilg.org/purchasing)). Many purchasing decisions involve participants from across the organization. The end-users play a very significant role. As a result, many agencies establish "green teams" tasked with reducing the environmental impact of the organization's purchasing practices. While organized in a variety of different ways, green teams typically include a senior manager and representatives from the purchasing department environmental, health and safety department, and end-users. Some green teams meet regularly; others meet only as needed. Commission for Environmental Cooperation, *Environmental Purchasing Policies 101: An Overview of Current Environmentally Preferable Purchasing Policies*. Regardless of how it is configured, the team, and the entire policy must have top level agency support and at least one main sponsor. Otherwise, staff may end up spinning their wheels and not have the authority to make real change/progress. Teams may not always be feasible in smaller agencies.

<sup>42</sup> Los Angeles County, *Purchase of Environmentally Preferable Products* (June 7, 2007). Life cycle pricing is an alternative approach to addressing price differences between climate-friendly and conventional products. "Life cycle cost" means the amortized annual cost of a product, including capital costs, installation costs, operating costs, maintenance costs, and disposal costs discounted over the lifetime of the product. City of San Jose, *Environmentally Preferable Procurement Policy* (9/25/01). Los Angeles and San Jose use life cycle cost evaluations. For more information about life cycle pricing, see the California Department of General Services' Web-based guide, *Environmentally Preferable Purchasing Best Practices Manual* at [www.green.ca.gov/EPP/Introduction/understand.htm#life](http://www.green.ca.gov/EPP/Introduction/understand.htm#life). Life cycle pricing is complex and potentially

### Policy Option: Energy Efficient Transportation

Transportation of goods is a significant source to greenhouse gas emissions. For this reason, agency specifications include energy efficient transportation of goods purchased as a factor in purchasing decisions.

2. To implement the Climate-Friendly Purchasing Policy, the Agency will accomplish the following tasks:<sup>43</sup>
  - a. Review and analyze current (baseline) purchasing by major product categories.
  - b. Prioritize product categories in terms of greenhouse gas emissions implications and improvement potential.
  - c. Develop a multi-year implementation schedule based on priorities, difficulty and upcoming solicitations.
  - d. Review policies, procedures, organization and staffing for implementation barriers.
  - e. Report achievements under the policy to policy makers and the public annually.<sup>44</sup>
3. Agency departments will evaluate their product specifications and purchasing documents and remove obstacles to buying climate-friendly products.<sup>45</sup> Examples

expensive. An Agency should include life cycle pricing in its purchasing policy only after consulting with contracting professionals.

<sup>43</sup> Institute for Local Government's Climate Change Program Best Practices Framework, Climate-Friendly Purchasing ([www.ca-ilg.org/purchasing](http://www.ca-ilg.org/purchasing)).

<sup>44</sup> For example, here is the reporting requirement in Nevada County:

Collaboratively, the Department of General Services, the Recycling Coordinator, and the Green Procurement and Sustainable Practices Committee shall prepare and deliver to the County Executive Officer an annual status report on the implementation of this policy and a formal recycled products list to aid in purchasing and monitoring goals. The report shall include documentation of the types, quantities, and dollar amounts of recycled products purchased in the previous year by the County, its contractors and grantees. The report shall also identify and discuss the following:

1. Instances where this policy is waived or its requirement found impracticable; and
2. Barriers to the procurement of products meeting the County's requirements.

<sup>45</sup> One way to promote climate-friendly purchasing is to review existing specifications to remove language that might conflict with the desire to buy climate friendly products. See Commission for Environmental Cooperation, *Environmental Purchasing Policies 101: An Overview of Current Environmentally Preferable Purchasing Policies*.

There are three important items to consider in this regard:

- **Bidding process.** A competitive bidding process provides an opportunity to specify the desired climate-friendly attributes in products or services to be purchased.
- **Standard specifications.** Specifications meant to be used repeatedly need to be reviewed to check if there are requirements that would constrain climate-friendly purchasing options. As appropriate, the standard specifications should be modified to incorporate preferable product attributes. Categories for these products could be established within a bid request. This will facilitate identification and comparison of bids that now include the desired product attributes.

- include requirements for virgin materials only; language that excludes recycled products; unnecessary qualifications; specifications written to describe particular non-recycled products; performance standards unrelated to actual need; or requirements that exclude remanufactured, reused or recycled content products.<sup>46</sup>
4. All requests for proposals must require vendors to use recycled products whenever practicable.<sup>47</sup>
  5. The Agency and contractor(s) may negotiate during the contract term to permit the substitution or addition of climate-friendly products when such products are readily available at a competitive cost and satisfy performance requirements.<sup>48</sup>
  6. The Agency will work with the business community to educate them about climate-friendly procurement opportunities.<sup>49</sup>

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- **Lifecycle costs.** Agencies that compare the life cycle value of products should ensure that bid specifications are carefully crafted to ensure that the goal of lifecycle pricing is integrated into the bid evaluation process. See New Jersey Department of Environmental Protection, *Green Purchasing: A Guide for Local Governments and Communities* (February 2006).

State law requires local agencies to delete contract provisions impeding the consideration of recycled products in favor of performance standards. Cal. Pub. Cont. Code § 22152.

<sup>46</sup> Many environmentally preferable purchasing policies require staff to review specifications to remove language that might conflict with the desire to buy more environmentally preferable products. Commission for Environmental Cooperation, *Environmental Purchasing Policies 101: An Overview of Current Environmentally Preferable Purchasing Policies*.

<sup>47</sup> Nevada County Green Procurement and Sustainable Practices Policy.

<sup>48</sup> Commission for Environmental Cooperation, *Environmental Purchasing Policies 101: An Overview of Current Environmentally Preferable Purchasing Policies*.

<sup>49</sup> Communicate with vendors/suppliers to (a) orient them on the climate-friendly purchasing policy and guidelines and (b) obtain relevant information. This communication will help establish a working partnership with the suppliers in regard to achieving agency goals. See Institute for Local Government's Climate Change Program Best Practices Framework, Promoting Community and Individual Action ([www.ca-ilg.org/promoting](http://www.ca-ilg.org/promoting)). Local agencies can promote climate-friendly purchasing actions through the media. See the sample press release included in the [National Association of Counties Environmental Purchasing Starter Kit](#).

Clear lines of communication about the agency's purchasing goals could be established by (a) reviewing vendors' environmental performance, (b) sharing the agency's environmental requirements with vendors, and (c) requiring products that contain attributes set forth in the climate-friendly purchasing policy.

Suppliers could also be asked to offer suggestions on environmentally preferable products for consideration in future bids. Some flexibility could also be provided in bid requests, which would enable vendors to add climate-friendly alternatives after the award of the contract (subject to approval by the purchaser).

A growing number of vendors already market climate-friendly alternatives. Agencies need standards to evaluate environmental claims. Vendors' fairs and meetings provide a forum to discuss performance and environmental criteria. Information from vendors gathered through this process can also be useful in specification writing, but not used to limit competition by specifying a specific vendor's product. See New Jersey Department of Environmental Protection, *Green Purchasing: A Guide for Local Governments and Communities* (February 2006).

7. The Agency will provide relevant information and training to raise staff awareness of the impact of procurement decisions on climate change. An ongoing promotional program will be developed to train agency staff that will develop the specifications necessary to implement this policy. Information concerning this policy will be included to the new employee orientation process.<sup>50</sup>
8. The Agency will develop and maintain information about environmentally preferable products and recycled content products containing the maximum practicable amount of recycled materials to be purchased.<sup>51</sup>
9. All purchased and printed recycled paper products must be labeled with the standard phrase, "Printed on Recycled Paper." Recycled products must be used for business cards, letterhead stationery, envelopes, business forms, and pertinent documents. These documents must be printed with the standard phrase, "Printed on Recycled/Recyclable Paper," thereby promoting the use of post-consumer content. If sufficient documentation and certification is available, reasonable efforts must be undertaken to specifically indicate the percentage of recycled post-consumer content.<sup>52</sup>

## 5.0 EVALUATION

The [Director of Finance, Director of Purchasing, other position responsible for implementing this policy] will develop and implement a monitoring and tracking system as a tool to confirm compliance with this policy.<sup>53</sup>

## 6.0 IMPLEMENTATION GUIDELINES<sup>54</sup>

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<sup>50</sup> Consider printing posters and educational pieces to place in break rooms, near printers, recycling bins, mail room and other high-visibility areas.

<sup>51</sup> Nevada County Green Procurement and Sustainable Practices Policy. See Institute for Local Government's Climate Change Program Best Practices Framework, Waste Reduction and Recycling ([www.ca-ilg.org/wastereduction](http://www.ca-ilg.org/wastereduction)). The environmental purchasing program in King County, Washington has a [website](#) and distributes e-mail bulletins to keep in touch with county departments and other jurisdictions.

<sup>52</sup> Nevada County Green Procurement and Sustainable Practices Policy.

<sup>53</sup> Stopwaste.org, *Environmentally Preferable Purchasing Model Policy* (revised 9/26/06), Nevada County Green Procurement and Sustainable Practices Policy. A simple way to monitor the performance of products and services is to conduct a survey of end users at the end of a given time period (for example, once a year). See New Jersey Department of Environmental Protection, *Green Purchasing: A Guide for Local Governments and Communities* (February 2006).

The effectiveness of climate-friendly purchasing, particularly where it involves energy efficiency and waste reduction, can also be measured in terms of cost savings. These savings could be demonstrated by looking beyond the initial cost of a product or service and analyzing the savings gained from the attributes associated with climate-friendly products, such as avoided disposal costs, and water and energy conservation measures. Money could be saved at the point of purchase and there may also be indirect savings because of the reduction in waste management costs or elimination of storage requirements. Documented cost savings can reinforce the agency's commitment to climate-friendly purchasing. See New Jersey Department of Environmental Protection, *Green Purchasing: A Guide for Local Governments and Communities* (February 2006).

<sup>54</sup> See City of San Jose, *Environmentally Preferable Purchasing Policy* (rev. 3/20/07).

The Agency chief executive<sup>55</sup> will 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 chief executive will:

1. Prepare and deliver to the legislative body<sup>56</sup> an annual<sup>57</sup> report on implementation of this policy. The report will include documentation of the types, quantities, and dollar amounts of climate-friendly products and services purchased in the previous year.<sup>58</sup> The report will also include dollar amounts of conventional products and services, identify and discuss instances where this policy is waived or its requirements found impracticable, and highlight barriers to the procurement of climate-friendly products and services, if applicable.
2. Review this policy every three years and recommend changes to further promote the goal of climate-friendly purchasing.<sup>59</sup>

## 7.0 EFFECTIVE DATE

This policy takes effect on [date].

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<sup>55</sup> For example, the city manager, county chief administrative officer or other executive.

<sup>56</sup> For example, the city council, board of supervisors or other governing board.

<sup>57</sup> Or at intervals designated by the legislative body.

<sup>58</sup> The City of San Jose's *Environmentally Preferable Procurement Policy* also requires the city manager to report on the value of products and services purchased by its contractors and grantees.

<sup>59</sup> City of San Jose, *Environmentally Preferable Procurement Policy* (rev. 3/20/07).

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