

CANADA¹

Context

The Canadian Policy on Green Procurement was developed in 2006 in response to the following issues highlighted by the Commissioner of the Environment and Sustainable Development:

- central direction on green procurement is missing
- there is no federal green procurement policy or strategy
- the government is not using green procurement as a tool to achieve sustainable development objectives
- key federal documents do not address the responsibilities of buyers and suppliers as they relate to green procurement
- there is no basis for assessing progress on green procurement.

As part of the government's on-going commitment to improve the environment and the quality of life of its citizens, the Policy on Green Procurement seeks to reduce the environmental impacts of government operations and promote environmental goals by integrating environmental considerations in procurement.

Objectives

It is expected that the Policy on Green Procurement will:

- demonstrate environmental leadership and influence industry and citizens to use environmentally preferable goods, services and processes
- stimulate innovation and market development of, and demand for, environmentally preferred goods and services, making them available and mainstreaming them for other sectors of society
- support emerging environmental technologies
- benefit the environment by contributing to environmental objectives
- result in more environmentally responsible planning, acquisition, use and disposal practices in the federal government
- support a healthier working environment for employees and citizens through the purchase of environmentally preferable goods and services.

Immediate outcomes of the policy include:

1. Case study submitted by the Treasury Board of Canada Secretariat in co-operation with Public Works and Government Services Canada.

- increased consistency and transparency in green procurement reporting requirements for all government departments
- increased availability of appropriate information and tools for use by all government departments to implement the Policy on Green Procurement.

Implementation process

The implementation strategy for the Policy on Green Procurement is based on the following principles:

- integration of environmental performance considerations in existing procurement processes, policies, procedures, tools and instruments using life-cycle analysis in the context of achieving value for money
- monitoring and reporting (e.g. through reports on plans and priorities and departmental performance reports) to support continuous improvement in the integration of environmental performance in procurement, including through the Federal Sustainable Development Strategy
- a co-ordinated government-wide approach to optimise information-sharing, consistency and performance measurement.

Implementation activities are focused on three key areas:

- inclusion of environmental specifications and evaluation criteria in centrally managed procurement administered by Public Works and Government Services Canada
- development and sharing of green procurement information and tools, such as guidelines and training, to support all departments and agencies
- systemic integration of environmental performance in the procurement decision-making processes of all departments, including establishing departmental green procurement targets that are aligned with government priorities.

Implementing authorities

Development and implementation support of the policy has been led by Public Works and Government Services Canada in collaboration with Environment Canada, Natural Resources Canada and the Treasury Board of Canada Secretariat.

Within Public Works and Government Services Canada, support of policy implementation is divided between the Office of Greening Government Operations (OGGO) and the Acquisitions Branch. The OGGO leads the overall management and support of government-wide policy implementation, including inter-departmental engagement. The OGGO also develops tools such as training material and guidance and leads the development and implementation of the government-wide planning and reporting mechanism for the greening of government operations. The Acquisitions Branch supports the achievement of the policy objectives by integrating environmental performance considerations into its centrally managed federal procurement instruments, policies, procedures and business tools, including supplier communication tools.

The deputy heads of all departments and agencies as defined within the meaning of Section 2 of the Financial Administration Act are required to ensure that the objectives of green procurement are realised in their organisations.

Stakeholders

Stakeholders include the federal government of Canada's employees (such as procurement and materiel management staff) and suppliers.

Government of Canada departments carrying additional responsibilities are Public Works and Government Services Canada, Environment Canada, Natural Resources Canada and the Treasury Board of Canada Secretariat.

Consultations on the policy design and implementation were undertaken through an inter-departmental task group on green procurement and bilateral meetings with a number of federal organisations.

Public Works and Government Services Canada conducts consultations with centralised procurement officers, client department procurement officers and suppliers throughout the process of including environmental specifications and evaluation criteria in centrally managed procurement.

Progress

Significant progress has been made in implementing the Policy on Green Procurement.

Fundamental policy machinery is in place, including:

- a governance structure
- an implementation plan
- guidance and tools
- free online training available to employees of the government of Canada from the Canada School of Public Service (course C215).

The government of Canada establishes government-wide procurement instruments for commonly procured goods and services. Departments purchase from these procurement instruments. Green procurement is integrated into the development process of these instruments through the use of green procurement plans. Green procurement plans are developed in collaboration with procurement experts for the given commodity and client departments and they:

- outline key environmental impacts for a given commodity
- indicate the procurement actions that can be taken to mitigate these impacts
- gather information on the progress of implementing the Policy on Green Procurement for a given commodity.

Suppliers are actively engaged in this process to assess their readiness to respond to environmental performance criteria, through consultations with industry, surveys and requests for

information. This information is communicated in the Green Procurement Plan and taken into consideration. Environmental performance considerations are phased into the instruments such that each renewal contains increasingly stringent criteria. The Green Procurement Plan includes a scorecard that outlines the criteria currently being used, the criteria included in the current renewal and the criteria anticipated for the next renewal. This information is communicated to suppliers, allowing them time to prepare for the next renewal, thus maintaining supplier competition.

Information technology (IT) hardware is an example of a commodity where many environmental criteria have been included in the Standing Offer using this process, including:

- All desktop and notebook systems as well as monitors are certified through the Electronic Product Environment Assessment Tool (EPEAT Silver level).
- Desktop systems and monitors are EnergyStar 4.0 certified.
- Monitors are TCO'03.
- Desktop systems include high-efficiency power supplies (80plus).
- All manufacturers represented on the Standing Offer are members of good repute of a recognised entity specifically established to address end-of-life electronics recycling and re-use in Canada.
- Desktop Category 1.0D and 1.0A Green PCs have reduced materials (with a smaller case and integrated components) and lower power consumption. For further examples, see the Green Goods and Services List.

Where no centralised procurement instrument exists, the environmental considerations used for similar goods and services can be used in other procurement activities. The guidance and tools found on the websites of the Office of Greening Government Operations and the Acquisitions Branch Green Procurement should also be consulted.

Impact and monitoring

All departments and agencies are required to report their forecasted and actual progress on green procurement annually through publically available parliamentary reports (the Report on Plans and Priorities [RPP] and Departmental Performance Report [DPR], respectively.) Beginning in 2008/09, the Treasury Board Secretariat Guidance provided specific instructions to all departments and agencies on how to report their progress on green procurement in their annual RPP and DPR.

An evaluation framework and government-wide performance measures were developed in order to monitor the policy implementation as well as assess its effectiveness after five years of being implemented. Public Works and Government Services Canada is currently conducting an evaluation of the policy in order to assess its relevance and performance.

Monitoring of the inclusion of environmental specifications and evaluation criteria in centrally managed procurement administered by Public Works and Government Services Canada is ongoing.

The Policy on Green Procurement is founded on the principle of value for money, taking into consideration factors such as quality, performance, price, environmental performance and availability. The Policy on Green Procurement also requires the integration of environmental performance considerations into the life-cycle costs of goods, services and construction, as opposed to focusing

only on the up-front acquisition costs. Using a life-cycle approach to examine costs associated with a commodity allows considering costs associated with operating, maintaining and disposing of the good.

For example, the procurement tool for purchasing computers (Computer Acquisitions Guide) contains two columns for pricing: price and evaluated price. The “price” column is the actual cost of the base system. The “evaluated price” column is only used for evaluation purposes. It is this score that allows the site to rank the system according to life-cycle costs. All of the systems on the Standing Offer are given a rank based on a weighted average of their price, performance, hardware features, total cost of ownership (TCO) features, environmental features and usability. The life-cycle approach to costs allows users to see what the best-value computer is and helps them understand that the lowest base price computer may not always be the best-value computer.

Challenges and risks

The main challenges faced included:

- maintaining procurement competition while advancing greening
- balancing environmental and other procurement objectives
- high volume and variety of purchasing and people involved
- the need for horizontal collaboration and strong engagement.

These challenges were foreseen based on previous experience implementing socio-economic objectives in the government of Canada’s procurement process. They were managed as follows:

- Competition is maintained by using a phased-in approach for the inclusion of environmental performance considerations using a process that engages both suppliers and clients.
- Environmental objectives are balanced with other procurement objectives by applying a value-for-money approach, increasing the awareness of environmental issues as well as the maturity of the market.
- The high volume and variety of purchasing and people involved is managed by prioritising implementation activities according to spend, environmental impact and ease of implementation. For instance, prioritising the integration of environmental considerations into centrally managed procurement instruments.
- One organisation (Public Works and Government Services Canada) has been tasked with horizontal collaboration and engagement across the government of Canada.

Key lessons learnt

Key learning aspects included:

- A centre of expertise (i.e. Public Works and Government Services Canada) that can provide:
 - a foundation of training and governance
 - detailed guidance and operational tools

- systemic integration in centralised procurement.
- Partner organisations (i.e. Office of Greening Government Operations and Acquisitions Branch) that separate policy implementation roles and responsibilities into policy machinery and operational implementation.
- Leveraging of the Federal Sustainable Development Strategy targets (i.e. integrating them into upcoming standard processes).
- Using a principles-based approach to keep pace with advances in technology and ensure that reductions in environmental impact are measured over the life cycle of a good or service.
- Using a phased approach to maintain competition and seek continual improvement.