Workers' Compensation Board – Alberta

Sustainable Procurement Guidelines

Contracting and Procurement Services (CAPS)
June 2016

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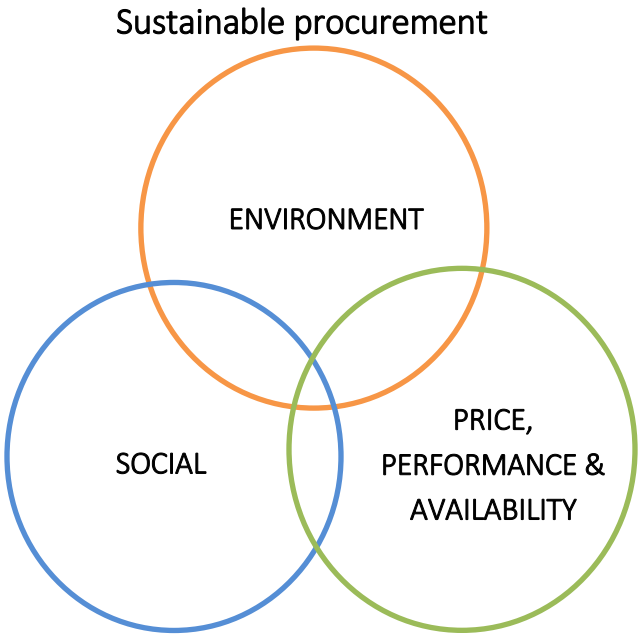
1. PURPOSE AND SCOPE

The focus of Contracting and Procurement Services (CAPS) is to provide WCB employees with information and resources on sustainable alternatives that align with the initiatives of the Corporate Sustainability Committee by providing a purchasing framework within WCB that will guide employees on how to purchase environmentally preferred products that will perform satisfactorily, and can be obtained at a reasonable cost.

Sustainable procurement is the purchase of products and services, which have less impact on the environment and human health (compared with competing products or services), while taking into account environmental costs that lead to waste and depletion of resources.

The practice of sustainable procurement involves three equally important aspects: a strong economy, a healthy environment, and social aspects as depicted in the circles below.



2. CORPORATE SOCIAL RESPONSIBILITY

Products and services should be sourced from organizations that are able to demonstrate commitment to a healthy environment and are both ethically and social responsible.

Preference consideration will be given to suppliers who:

- Have an accredited environment management system.
- Have a documented waste reduction strategy.
- Meet the relevant quality standards for a particular product or service.
- Have a good track record for quality and environmental performance.
- Are licensed under an independent eco-labeling system and verify claims.
- Are able to verify ethical and social claims.

3. SUSTAINABLE PROCUREMENT GUIDELINES AND OBJECTIVES

Here is what each business unit within WCB should look for:

- Purchase recycled or environmentally preferred products wherever practical.
- Evaluate each designated product/service to determine the extent to which it may be practically used by the business unit.
- Ensure that contracts issued by the business unit incorporate environmental specifications and socially responsible values wherever practical.
- Purchasing decisions should be made based on value for money, rather than just the lowest up-front purchase price.
- Where choices are made based on cost, it is incumbent on WCB staff to detail the reasons for not purchasing recycled or environmentally preferable products.
- Where an environmentally preferred product has an initial higher cost than a non-environmentally preferred product, life cycle analysis information will be assessed.
- All competitive documents posted for products and services will include sustainable procurement requirements that align with WCB – Alberta Sustainable Procurement Guidelines.
- WCB as a whole should adopt a proactive approach to the supply chain in order to ensure a high degree of control over the input of products and services that may have potential environmental impacts.

CAPS will track and report the use and acceptance of sustainable procurement and will:

- Review quality, environment, and purchasing criteria.
- Work with business units to ensure purchasing specifications, tender documentation, consultant briefs, and contracts for sustainable procurement references exist.
- Actively promote the goals to the community and contractors/suppliers.

Each business unit within WCB should also meet periodically with CAPS to report on the implementation of sustainable procurement, including:

- The results of product evaluations.
- The status of efforts to maximize environmental purchasing.
- Total purchases of environmentally preferable products.

4. GOALS AND BENEFITS OF SUSTAINABLE PROCUREMENT

By following these guidelines, the benefits of sustainable procurement include:

- Improved health and safety.
- Improved ethical and social leadership.
- Value for money spent.
- Reductions in energy consumption and use of transportation.
- Reduction in greenhouse gas and other polluting emissions.
- Reduction of landfill waste.

With the above in mind, the goal is to reduce the following:

Waste:

- Reduce transportation by creating ordering cycles, purchasing in bulk to reduce packaging, purchasing printing equipment that prints double sided or donating old computers to schools.
- Reuse by the refurbishing existing furniture and equipment or adopting a practice of recycling or reusing excess stationery and consumables (such as WCB's office supplies surplus program – see Appendix B).
- Recycle by taking advantage of the Corporate Sustainability Committee's recycling initiatives such as recycling your old batteries and/or toner ink cartridges at work!

Climate damage, habitat destruction and pollution:

- Energy-efficient products and materials by checking that the energy rating and efficiency features are the best available.
- Renewable energy and reduce the purchase of fossil fuels.
- Goods that have not been transported long distances.
- Raw materials, consumables and products that will not release toxic substances that could pollute water, land or air at any stage of their life cycle.
- Paper and wood products obtained from recycled, plantation, salvaged or renewable sources.
- Products, materials and services that will not degrade or pollute the soil, or result in erosion through their use.

5. VALUE FOR MONEY AND LIFECYCLE COSTS

Value for money is the identification and inclusion of all direct and indirect costs associated with a particular product or service including product efficiency, anticipated maintenance and repair, as well as costs associated with disposal or removal of the product at the end of its useful life.

All procurement decisions should be based on value for money while having due regard to sound environmental stewardship and social responsibility.

Life cycle costs is the consideration of the total life cycle costs of goods, construction, or services and is a key part of achieving value for money. Considering Life cycle costs should happen at various stages of the procurement process– at the initial stage of identifying a need and developing a business case, when producing specifications, when awarding a contract, or when identifying disposal options.

Assessment of life cycle costs will commonly require input from a broad range of sources including program managers, CAPS, business units and environmental and disposal experts but provides the ideal opportunity to take a broad range of environmental factors into consideration.

The four broad categories of Life cycle costs include:

1. Planning costs, including administrative and other costs.
2. Ordering costs, including administrative, design, production and transportation costs that are associated with the good or service in question.
3. Operating and use costs, including introduction and contingency costs, and prediction of useful life.
4. Disposal costs.

APPENDIX A – SUSTAINABLE PROCUREMENT CONSIDERATION EXAMPLES

By including environmentally friendly considerations in purchasing decisions, WCB can promote practices that improve social, public and worker health, conserve non-renewable resources, and reward environmentally conscious companies, while remaining fiscally responsible.

WCB's main purchasers include Facility Services, Medical Services and Information Management.

Considerations	
• Alternative greases, oils (vegetable based) • Alternative pesticides/herbicides • Alternative plastic products and plastic film • Alternative source electricity generation and distribution • Biodegradable/Alternate packaging • Carcinogen-free • Cement and asphalt concrete containing glass cullet, recycled fiber, plastic, tire rubber, fly ash, and re-crushed cement concrete aggregate and asphalt • Chlorofluorocarbon (CFC)-free • Cleaning and janitorial products with reduced toxicity • Compost materials • Construction, landscaping methods Energy efficient appliances, equipment, machinery, vehicles, and parts	• Locally manufactured, grown, and/or processed • Low volatile organic compound (VOC) content • Low-toxicity (mercury-free, lead-free) • Persistent bio-accumulative toxin (PBT)-free • Recyclable and recycled content and products • Recycled plastic outdoor wood substitutes • Reduced greenhouse gas emissions • Reduced packaging • Refurbished/remanufactured products i.e. laser printer toner cartridges • Renewable materials • Re-refined lubricating and hydraulic oils • Water efficient manufacturing processes and products • Energy efficient equipment • Extended product life (durability, upgradeable, etc.)

Sustainable evaluation criteria

- Does the product have environmental certification through an accredited environmental agency?
- Have studies of the environmental attributes of the product been completed?
- Performance testing - Is it possible to test the product/service prior to purchase?
- Product energy and resource efficiency.

- Hazardous replacement.
- Packaging – How much packaging and what type of material is used by the retailer?
- On-site waste management.
- Return for disassembly and recycling.
- Local source – Can this product be purchased from a local source? Is there a way to bring this product in with limited fuel and/or energy usage?
- Environmental attributes of the supplier – Any examples of environmental innovation demonstrated by the supplier?

APPENDIX B – FREQUENTLY ASKED QUESTIONS

1. **Will sustainable procurement result in individual business units having to pay more for the products and services they purchase?**

   Often sustainable products or services are provided at a higher price due to the investment involved in making the good or service environmentally friendly. WCB strives towards being a leader in sustainable business practices, and aims to reduce the negative impacts on the environment through this unified, practical and effective program, and encourages all business units within WCB to participate.

2. **What are the environmental attributes of an environmentally preferable product?**

   Environmental attributes are either positive or negative and can include:

   - **Positive attributes:** recycled content, product disassembly potential; durability; reusability; reconditioned or remanufactured; bio-based; energy and water efficiency; resource efficiency (non-renewable and renewable).
   - **Negative attributes:** emissions of greenhouse gases, bio-accumulative pollutants, ozone-depleting substances, volatile organic compounds and particular matter, pollutants released to water; hazardous and non-hazardous solid waste.

3. **How does WCB's approach to sustainable procurement compare to those in other organizations?**

   These goals and guidelines were created based on existing models while also incorporating current international trends. WCB is dedicated to create an awareness of the practices of energy efficiency, the 3 R's (reduce, reuse, recycle), and community environmental stewardship for a safe, healthy and strong Alberta. Visit the Corporate Sustainability database to find out more about our recycling programs and other initiatives dedicated to make WCB a more sustainable workplace.

APPENDIX C – EXAMPLES OF ACCREDITED RATING WEBSITES

- Energystar – www.energystar.gov
  ENERGY STAR is a joint program of the U.S. Environmental Protection Agency and the U.S. Department of Energy helping us all save money and protect the environment through energy efficient products and practices.

- Greenseal – www.greenseal.org
  Green Seal is a nonprofit organization that uses science-based programs to create a more sustainable world by working with manufacturers, industry sectors, purchasing groups and governments at all levels to "green" the production and purchasing chain.

- EPEAT – http://www.epeat.net/
  EPEAT is a system to help purchasers in the public and private sectors evaluate, compare and select desktop computers, notebooks and monitors based on their environmental attributes.