



## Administrative Policies and Procedures

Policy Title: Environmentally Preferred Procurement	Policy Number: XXX
Effective: ____/____/17	
Supersedes:	
Approval:	Page 1 of 7

### 1. Purpose

The City of Ann Arbor recognizes its responsibility to minimize negative impacts on human health and the environment while supporting a vibrant community and economy. The City further recognizes that the products and services the City buys have inherent environmental and economic impacts and that the City should make procurement decisions that embody, promote and encourage the City's commitment to the environment and support Sustainability Framework Goals adopted by City Council (R-13-045). This policy is intended to:

- Encourage the purchase and use of materials, products and services that best align with the City's fiscal, environmental, climate change, community and performance goals;
- Reduce the spectrum of environmental impacts from City use of products, including reduction of greenhouse gas emissions, energy use, reduction of landfill waste, health and safety risks, and resource consumption;
- Empower City staff to be innovative and demonstrate leadership by incorporating progressive and best-practice environmental specifications, strategies and practices in procurement decisions;
- Encourage vendors and contractors to promote products and services which are most suited to the City's environmental principles;
- Complement existing City ordinances and policies;
- Encourage and promote companies to bring forward emerging and progressive sustainable products and services, by being a consumer of such products and companies; and
- Communicate the City's commitment to "green" procurement, by modeling the best product and services choices to citizens, other public agencies and private companies.

Nothing in this policy shall be construed as requiring a unit, service area, vendor or contractor to procure 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.

## **2. Policy**

### **A. General**

The City shall acquire goods and services in a manner that integrates both fiscal responsibility and environmental stewardship. Each City Service Area shall comply with this policy and actively encourage decisions that reflect the policy objectives. Procurement shall actively promote and encourage product and service acquisitions compliant with the policies and guidelines adopted herein.

### **B. Factors**

Environmental factors to be considered in product and service acquisitions include, but are not limited to, the assessment of:

- Pollutant releases and toxins, especially Persistent Bioaccumulative Toxins (PBTs), air emissions, and water pollution;
- Waste generation and waste minimization;
- Greenhouse gas emissions;
- Recyclability and recycled content;
- Energy consumption, energy efficiency, use of renewable energy;
- Depletion of natural resources;
- Potential impact on human health and the environment;
- Impacts on biodiversity;
- Total Life Cycle Costs

When determining if a product is environmentally preferable, the following sample environmental attributes should be considered:

Biobased, Biodegradable, carcinogen-free, Chlorofluorocarbon (CFC)-free, Compostable, durable, energy efficient, heavy metal free (e.g. no lead, mercury, cadmium), less hazardous, low Volatile Organic Compounds (VOC) content, low-toxicity, made from renewable materials, reduced packaging, refurbished, reusable, Water efficient

In addition, Service Areas should review and consider adopted “green policies” adopted by City Council (such as the Green Fleet Policy), copies of which are available on request.

### C. Third-Party Certifications

Where applicable, the City shall apply the most stringent third-party label standard available for a product or service being acquired. The City shall use independent, third-party social and/or environmental (eco) product or service label certifications when writing specifications or procuring materials, products, or services, whenever a responsible label standard is available. Qualifying labels shall be:

- Developed and awarded by an impartial third-party;
- Developed in a public, transparent, and broad stakeholder process; and
- Represent specific and meaningful leadership criteria for that product or service category.

In addition, whenever possible, label standards used in product or service specifications should represent standards that take into account multiple attributes and life-cycle considerations, with claims verified by an independent third party.

### D. City Code, City Policies and Federal and State Law and Regulations

It is the intent of this policy to complement City Code and policy along with any applicable state and federal laws and regulations. When such code or law is updated to accommodate a more rigorous standard, or City Council adopts or alters established policy, this administrative policy shall be considered to likewise require such additional provision.

### E. Responsibilities

#### *City Procurement Responsibilities:*

1. Inform Service Area, Units of their respective responsibilities under this policy and provide implementation assistance.
2. Require, wherever possible that specifications and solicitation language include the purchase of environmentally preferable goods and services.
3. Develop and maintain information about environmentally preferable products and recycled products containing the maximum practicable amount of recycled materials, to be purchased by the City whenever possible.

#### *Systems Planning Responsibilities:*

1. Support Procurement in its implementation of this policy by providing training, information when requested, and assistance in the evaluation of the environmental attributes of a product.

2. Support Service Area and Units in evaluation and analysis of environmental attributes of products and services

*Service Area and Unit Responsibilities:*

1. Evaluate each requested product and service to determine the extent to which the specifications could include an environmentally preferable option.
2. Ensure that Formal Solicitations issued include environmentally preferable products and recycled products wherever practicable.
3. Determine the standard at which products are considered environmentally preferable and use in selective criteria using independent accredited organizations recognized by the City.
4. Encourage product testing and trial service to evaluate new environmentally responsible alternatives.
5. Expand employee awareness and use of Environmentally Preferable Products and Environmentally Preferable Services.
6. Include language in Council resolutions that highlights that environmental preferable criteria was considered as part of the award process.

F. Use of Best Practices

Environmentally preferable procurement is a relatively new and evolving concept where better ideas, products and practices are constantly being introduced. City Procurement along with the assistance of City staff will continue to provide guidance on best value purchasing strategies (including environmental performance) to Service Areas in acquisition of goods and services within established purchasing criteria and in the best interest of the City.

### 3. Procedures

A. General

Every Formal Solicitation will contain an environmental commitment statement as follows:

*Environmental Commitment*

*The City of Ann Arbor recognizes its responsibility to minimize negative impacts on human health and the environment while supporting a vibrant community and economy. The City further recognizes that the products and services the City buys have inherent environmental and economic impacts*

*and that the City should make procurement decisions that embody, promote and encourage the City's commitment to the environment.*

*The City encourages potential vendors to bring forward emerging and progressive products and services that they offer which are most suited to the City's environmental principles.*

#### B. Preference

At the discretion of the City and where applicable, Formal Solicitations may include a bid discount or additional points for the evaluation of proposals that present an environmentally preferred option, corporate practices, and other environmental solutions proposed by the potential Vendor.

#### C. Environmental Alternatives

Potential Vendors will be encouraged to present alternative options in the bid or proposal that support the City's commitment to the environment.

If an Environmentally Preferable Product or Environmentally Preferable Service is bid as an alternate, the issuing Service Area or Unit shall be responsible for providing written justification for the impracticality of the Environmentally Preferable Product or Environmentally Preferable Service bid as an alternate.

#### D. Award

Award of all Formal Solicitations will take into account the environmentally preferred options provided by potential Vendors and award will be made in the best value to the City at the sole discretion of the City.

### 4. Definitions

- 4.1 Best Value – an assessment of the return that can be achieved based on the total life cycle cost of the item; may include an analysis of the functionality of the item; can use cost-benefit analysis to define the best combinations of quality, services, time, and cost considerations over the useful life of the acquired item.
- 4.2 Biobased - products that are composed in whole or in significant part, of biological products or renewable agricultural materials (including plant, animal and marine materials) or forestry materials.
- 4.3 Biodegradable - the ability of a substance to decompose in the natural environments into harmless raw materials.

- 4.4 Chlorofluorocarbons (CFCs) - any of a group of compounds that contain carbon, chlorine, fluorine, and sometimes hydrogen and have been used as refrigerants, cleaning solvents, aerosol propellants and in the manufacture of plastic foams.
- 4.5 Compostable – a product that can be placed into a composition of decaying biodegradable materials and eventually turn into a nutrient-rich material. It is synonymous with "biodegradable", except it is limited to solid materials (liquid products are not considered compostable).
- 4.6 Contractor - any person having a contract with the City.
- 4.7 Energy efficient product - a product that is in the upper 25 percent of energy efficiency for all similar products, or that is at least 10 percent more efficient than the minimum level meeting US federal government standards
- 4.8 Environmentally preferable products - goods and materials that have a less adverse impact on human health and the environment when compared with competing goods and materials. This comparison shall consider raw materials acquisition, production, manufacturing, packaging, distribution, re-use, operation, maintenance, and waste management of the good or material.
- 4.9 Environmentally preferable services - services that have a more beneficial or less adverse impact on human health and the environment when compared with competing services.
- 4.10 Formal Solicitation - a bid, proposal or request that must be submitted in a sealed envelope and in conformance with a prescribed format to be opened in public at a specified date and time. See also ITB and RFP.
- 4.11 Invitation to Bid (ITB) - a formal request to prospective vendors soliciting price quotations or bids; contains, or incorporates by reference, the specifications or scope of work and all contractual terms and conditions.
- 4.12 Life Cycle Cost (LCC) - the total cost of ownership over the lifespan of the asset. An analysis technique that takes into account operating, maintenance, the time value of money, disposal, and other associated costs of ownership as well as the residual value of the item.
- 4.13 Request for Proposal (RFP) - means a formal bid solicitation method used for requirements exceeding authorized limits when it is expected that negotiations with one or more bidders may be required with respect to any aspect of the requirements, or other factors will be considered in the selection of the contractor/consultant in addition to price.

- 4.14 Persistent, Bioaccumulative, Toxic compounds (PBT's) - toxic chemicals that persist in the environment and increase in concentration through food chains as larger animals consume PBT-laden smaller animals. They transfer rather easily among air, water, and land, and span boundaries of programs, geography, and generations. As a result, PBTs pose risks to human health and ecosystems. They are associated with a range of adverse human health effects, including effects on the nervous system, reproductive and developmental problems, cancer, and genetic impact. They include heavy metals and chemicals such as mercury, dioxins, and PCB's (polychlorinated biphenyls).
- 4.15 Vendor - any person or entity who offers goods for purchase or services for hire.
- 4.16 Volatile Organic Compounds (VOCs) - chemicals that readily evaporate and contribute to the formation of air pollution when released into the atmosphere. May VOCs are classified as toxic and carcinogenic.
- 4.17 Water efficient - a product that is in the upper 25 percent of water efficiency for all similar products, or that is at least 10 percent more efficient than the minimum level meeting US federal government standards.