



SUSTAINABLE PROCUREMENT POLICY TEMPLATE

1.0 POLICY STATEMENT

It is the policy of [Organization] to practice a continuous improvement approach to understanding and taking appropriate responsibility for any adverse environmental, social, and economic impacts of its purchasing. In doing so, the [Organization] shall consider impacts on a life-cycle basis and prioritize actions according to: alignment with the [Organization]'s values, magnitude of impact, and compliance with any applicable regulations.

2.0 PURPOSE

This Policy is adopted in order to align the [Organization]'s purchasing with its [*climate, social equity, risk reduction, resource use reduction, stewardship, etc.*] values and goals and [related policies]. In doing so, the [Organization] seeks to harness the influence of its purchasing to support markets for, and increase accessibility to, more sustainable goods and services.

3.0 APPLICABILITY

This policy applies to all types of [Organization]-funded procurements and to all [Organization] divisions and employees. Specific employee roles, responsibilities, and expectations are further described within this policy.

4.0 POLICY IMPLEMENTATION

In order to practice a continuous improvement approach to understanding and taking appropriate responsibility for reducing the adverse environmental, social, and economic impacts of its purchasing, this policy establishes the following implementation hierarchy:

1. **Core Strategies.** These establish overarching sustainable procurement strategies to implement over time. They provide value-aligned direction to take into account during project and program planning, and direction from which to build minimum requirements, best practices, and related implementation tools.
2. **Minimum Requirements.** These are the specific mandatory requirements for a particular good or service category. They are the actions that support sustainable procurement Core Strategies.
3. **Leadership Opportunities.** These are developed to identify (optional) opportunities for continuous improvement among stakeholders. They identify how to go beyond Minimum Requirements in a particular good or service category to further reduce adverse impacts.

All [Organization] employees shall review the Core Strategies and follow the Minimum Requirements when planning and designing projects, developing project and operations budgets, developing asset management plans, writing product and service specifications or standards, selecting materials, making purchasing or supplier decisions, and developing and

managing [Organization] contracts and price agreements as applicable to their roles and responsibilities and/or to a specific project.

5.0 CORE STRATEGIES

For any of the following Core Strategies, it is understood that they shall be undertaken in conjunction with traditional purchasing considerations, such as budget, product/service performance requirements, and availability. Core Strategies provide direction for decision making with mandated actions implemented through the Minimum Requirements, but also as needed in the absence of specific Minimum Requirements. Prior to making new purchases, employees are also expected to consider: the need for the purchase; opportunities to extend the life of the existing item or material; and meeting the operational need through a different means (e.g. renting vs. purchasing).

1. Utilize processes, technologies, products, or services that reduce consumption of natural resources or chemicals.
2. Employ processes, technologies, products, or services that reduce waste.
3. Invest in energy and fuel-efficient products, services, and technologies that result in simple paybacks of *[identify timeframe, typically between 5-10]* years or less, based on Total Cost of Ownership.
4. Invest in processes, technologies, products, or services that reduce the sourcing and use of Carbon-Based Fuels.
5. Seek processes, technologies, products, or services that support a Circular Economy.
6. Seek processes, technologies, products, or services that support biodiversity and healthy, resilient natural habitats.
7. Seek out, specify, and purchase products with lower Embodied Carbon than the status quo.
8. Seek out, specify, and purchase products that minimize exposure of Substances of Very High Concern to people and the environment.
9. Consciously design procurement processes and related programing to support a diverse contractor base, including small, minority, and/or women-owned businesses.
10. Seek out processes, technologies, goods, or services that support transparency in either or both the [Organization's] supply chain or product disposal endpoints regarding compliance with environmental regulations and Core Labor and Human Rights in the Workplace.
11. When using social or environmental product labels, seek out social/ecolabels that demonstrate that the product or service was independently certified to a reputable third-party environmental and/or social product or service leadership standard, preferably a multi-attribute standard that evaluates products or services along their entire life cycle.
12. Whenever possible, utilize Life Cycle Costing methods to determine the full cost of a product, service, or design.

6.0 MINIMUM REQUIREMENTS & LEADERSHIP OPPORTUNITIES

Minimum Requirements and associated Leadership Opportunities for a specific good or service category shall be defined and communicated through the [Organization]’s Sustainable Purchasing Guides. These Sustainable Purchasing Guides shall be maintained and updated by [responsible entity – same as who is identified in Roles section] as needed to keep content current and relevant. Updates to the Sustainable Purchasing Guides do not automatically trigger updates to this policy; they may be updated separately and thus more frequently, to maintain relevancy. The Sustainable Purchasing Guides shall be posted [identify website, centralized file sharing spot, or other as applicable].

Minimum Requirements shall be based off well-researched and tested practices that are readily accessible and have been confirmed to reduce an adverse impact when well-implemented. They can be adopted from other reputable sources (other public agency, nonprofit, subject matter experts, etc.), or developed through a multi-stakeholder engagement process.

Leadership Opportunities shall be well-researched to show that it is reasonable that the proposed action(s) will reduce an adverse impact with relatively low-risk to the [Organization] when well-implemented. It is understood that the action[s] is worth pursuing so long as it aligns with the [Organization]’s sustainability values, even if the proposed action hasn’t been tried or replicated by another public agency at the time it is proposed.

7.0 REPORTING

1. To track progress in meeting this policy’s objectives, at a minimum the [responsible entity] shall report [to who] on the following on a [timeframe] basis:
 - a. Number of Minimum Requirements established and in use by [Organization] as evidenced by actual solicitations, contracts, and/or procurements.
 - b. Number of Leadership Opportunities established and practiced by [Organization] as evidenced by actual solicitations, contracts, and/or procurements.
 - c. Number of sustainable procurement trainings provided to employees and number of unique attendees in total. If trainings are provided in an online, “on-demand” format, report on the number of unique completions of the training(s).
2. By year [enter number] after the initial effective date of this policy, the [responsible entity] shall report [to who] on the following in addition to the above minimum reporting requirements:
 - a. For a minimum of three (3) goods and/or services, report on the percent of purchases (by dollar value) during the fiscal year that met the Minimum Requirements for that good or service.
3. By year [enter number] after the initial effective date of this policy, the [responsible entity] shall publish at a minimum two (2) case studies highlighting a sustainable

procurement initiative, project, solicitation/contract undertaken by [Organization]; including benefits, lessons-learned and opportunities for continuous improvement.

4. By year [enter number] after the initial effective date of this policy, the [responsible entity] shall develop three (3) additional Key Performance Indicators that are meaningful in terms of evaluating the [Organization]'s progress in meeting the policy's objectives.

8.0 ROLES AND RESPONSIBILITIES

1. The [responsible entity] shall periodically bring together stakeholders to review and update this policy.
2. The [responsible entity] is responsible for developing and maintaining up-to-date Minimum Requirements & Leadership Opportunities; including bringing together stakeholders to develop and/or implement the Minimum Requirements & Leadership Opportunities as applicable.
3. All employees are responsible for following the Core Strategies and Minimum Requirements when planning and designing projects, developing project and operations budgets, developing asset management plans, writing product and service specifications or standards, selecting materials, making purchasing or supplier decisions, and developing and managing [Organization] contracts and price agreements as applicable to their roles and responsibilities and/or to a specific project.
4. The [responsible entity] is responsible for developing and providing sustainable procurement training to [Organization] employees and other applicable stakeholders.
5. The [responsible entity] is responsible for taking into account these policy requirements when developing departmental and project budgets in order to ensure resources (budget and staff) are available to carry out these policy requirements.
6. The [responsible entity] is responsible for developing and publishing reports according to the requirements in section 7.0 of this policy.

9.0 DEFINITIONS

Carbon-Based Fuels - means coal, natural gas, renewable biomass, petroleum products, and any other product that contains carbon and emits carbon dioxide, methane, nitrous oxide, or other greenhouse gases when combusted, that are used for fuel, heating, cooling, or industrial processes, which processes shall include electricity generation.

Circular Economy - economy that is restorative and regenerative by design, and which aims to keep products, components and materials at their highest utility and value at all times, distinguishing between technical and biological cycles

Core Labor and Human Rights in the Workplace - International Labour Organization (ILO) Conventions that the ILO Governing Body has identified as "fundamental" Conventions, covering subjects that are considered to be fundamental principles and rights at work.

Embodied Carbon - the greenhouse gas emissions arising from the manufacturing, transportation, installation, maintenance, and disposal of materials or products.

Key Performance Indicators - critical quantifiable measures of progress toward an intended result.

Life Cycle - Consecutive and interlinked stages of a goods or services system, from “cradle to grave”, e.g. from resource generation and raw material acquisition through production, use, and final disposal.

Life Cycle Costing – a method for calculating the costs of goods or services throughout their life cycle. It includes total cost of ownership (TCO) and positive or negative externalities which can be monetized, both to the organization and to society.

Substances of Very High Concern (SVHC): Substances that may have serious and often irreversible effects on human health and the environment. SVHCs are typically defined as those that have one or more of the following attributes:

- Persistent, Bioaccumulative and Toxic (PBT),
- very Persistent and very Bioaccumulative (vPvB),
- very Persistent and Toxic (vPT),
- very Bioaccumulative and Toxic (vBT), or
- known or likely to be:
 - carcinogenic,
 - mutagenic,
 - reproductive or developmental toxicant,
 - neurotoxicant or
 - endocrine disrupting.

Sustainable Procurement - A process whereby organizations meet their needs for goods, services, works and utilities in a way that achieves value for money on a life cycle basis in terms of generating benefits not only to the organization, but also to society and the economy, while minimizing damage to the environment.

Total Cost of Ownership (TCO) – a method for calculating the full direct cost of a good or service to an organization. It includes the initial cost/price of a good or service, as well associated maintenance, operating, and end-of-life costs.

10.0 EFFECTIVE DATE

This policy shall take effect on [date].