# Introduction to Sustainable Procurement

Opportunities for local government action







SPLC leads a global community of public and private purchasers, suppliers, advocates, and experts dedicated to driving positive impact through the power of procurement.

# Powering Procurement for Good

## **SPLC's Broad Membership Coalition**



**Distinguished Organizations**  in annual

purchasing

membership including Fortune 500s, government, higher education, and specialized non-profits

aggregate

procurement demand for environmentally, socially, economically sustainable products, services and supply chains













## Today's agenda

- Baseline definitions
- Importance of taking a program approach
- Local government examples



# HEALTHY

COMMUNITY

**ECONOMY** 

**ENVIRONMENT** 

FOR EVERYONE

**FOREVER** 

#### Procurement that...

- ✓ achieves value for money.
- ✓ strengthens the organization.

**CONVENTIONAL PROCUREMENT** 

#### Procurement that...

- ✓ achieves value for money.
- ✓ strengthens the organization.
- ✓ strengthens the **economy**.
- ✓ strengthens society.
- ✓ strengthens the **environment**.

CONVENTIONAL PROCUREMENT

SUSTAINABLE PROCUREMENT

## **Sustainable Procurement**

#### Sustainable Purchasing

Procurement that...

- ✓ achieves value for money.
- ✓ strengthens the organization.
- ✓ strengthens the **environment**.
- ✓ strengthens **society**.
- ✓ strengthens the **economy**.

CONVENTIONAL PROCUREMENT

SUSTAINABLE PROCUREMENT

Responsible Sourcing

Responsible Supply Chain

Supply Chain Sustainability

## **Sustainable Procurement**

## Purchasing in ways that intentionally strengthen our...

#### **Environment**

- Climate protection
- Pollution prevention
- Waste reduction
- Resource efficiency
- Habitat preservation
- Air and water quality

#### Society

- Health + Safety
- Equal opportunity
- Fair wages
- Employee training
- Workers rights
- No forced labor

#### **Economy**

- Supplier diversity
- Small business
- Local jobs
- Fair competition
- Transparency
- Innovation
- Corruption-free

## Benefits to the organization

#### **Tangible**

- + Process efficiency
- + Innovation
- + Performance tracking
- Regulatory burden
- Costs

#### Intangible

- + Supplier relationships
- + Brand value
- + Customer satisfaction
- + Employee satisfaction
- + Investor visibility
- Business risk

# Taking a program approach

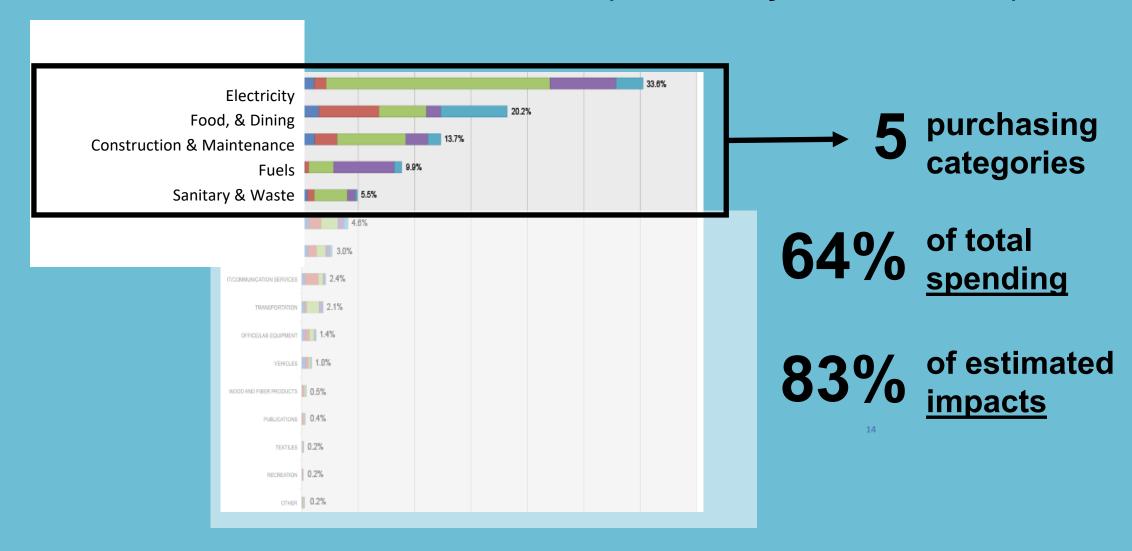
## Opportunistic Activity vs. Prioritized Strategic Program



Lack of prioritized focus

Prioritization

## Prioritization Pilot: Environmental Impacts of Higher Education Spend



Insight: Analysis and prioritization sharpens focus and reduces complexity

## Strategic Program Approach



## Benefits of a program approach

Individual activities	With a strategic program
Silos	Cross-functional collaboration
Efforts are less impactful	Efforts are focused on high impact opportunities
Evidence of benefits is anecdotal	Benefits are tracked, aggregated and reported
No authority to prioritize related activities	"Permission" and inspiration to participate



## **City of Portland**

- Formal commitment: <u>Sustainable Procurement</u> <u>Policy</u> in place since 2003, most recent amendment in 2022
- Holistic approach: Program addresses environmental, social, and economic impacts
- Staff: 1 dedicated FTE in Procurement, plus collaboration with related departments
- Alignments: Connects to other City programs/policies (e.g. climate; equity, diversity, and inclusion; green building)

In every purchase, the City is a force for good. We think holistically and act responsibly. We advance equity, environmental protection, community health, and market transformation.

## **Alameda County**

- Formal commitment: Environmentally Preferable Purchasing Policy place since 2011, Procurement directly contributes to the goals set forth in the Climate Action Plan
- Holistic approach: Program focuses on county priorities of GHG reduction and healthy, resilient communities
- **Staff:** 2 dedicated FTE in Sustainability in partnership with Procurement, plus collaboration with related departments
- Alignments: Connects to MANY related County programs/policies

The County's purchase of good and services protects the climate and supports a healthy community.