



## CITY OF GLENDALE, CALIFORNIA REPORT TO THE CITY COUNCIL

### **AGENDA ITEM**

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Report: Environmentally Preferable Purchasing

1. Motion to direct staff to develop an Environmentally Preferable Purchasing Policy to set a standard of sustainable and environmentally preferable procurement and demonstrate the City's commitment to environmental, economic and social stewardship.

### **COUNCIL ACTION**

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**Item Type:** Action Item

**Approved for** October 19, 2021 **calendar**

### **EXECUTIVE SUMMARY**

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The staff report outlines strategies that staff may use to prepare an enhanced environmentally preferable purchasing policy. These include; a) increasing efficiency in the purchasing program to reduce waste and eliminate unnecessary purchases; b) purchase of products for which the U.S. EPA has established minimum content guidelines; c) purchase energy efficient equipment; d) utilizing third party environmental product or service labels and incorporate extended producer responsibility mandates for certain product categories.

## **COUNCIL PRIORITIES**

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1. Fiscal Responsibility: Sustainable purchasing helps cities save money, primarily because sustainable products are often more resource-efficient.
2. Sustainability Benefit: Sustainable Purchasing will encourage the purchase products or services in a manner that protects human health and the environment.

## **RECOMMENDATION**

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Recommend that City Council direct staff to develop an enhanced Environmentally Preferable Purchasing policy to set a standard of sustainable and environmentally preferable procurement and demonstrate the City's commitment to environmental, economic and social stewardship.

## **BACKGROUND**

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At the City Council meeting of March 2, 2021 staff provided a report covering the extent of the City's environmental preferable purchasing program and provided an overview of best practices on environmental preferable purchasing programs. City Council asked staff to have the Sustainability Commission review environmental preferable purchasing programs and make recommendations for next steps.

At the July 1, 2021 Sustainability Commission meeting, staff at the request of the Commissioners, provided an update on actions taken regarding the environmental preferable purchasing program. Staff provided an overview of the actions to be explored to develop an enhanced environmental preferable purchasing program. The Sustainability Commission offered recommendations on items that should be included in an environmental preferable purchasing policy and are contained in this report.

### **Current City of Glendale EPP Program**

The City of Glendale's Recycled Products Purchasing Program has been in effect since the 1990's. This program has worked to ensure that fitness, quality and cost being equal; recycled, reusable, recyclable products and other "green" products are purchased. The purchase of these green products has contributed to creating markets for recycled products and encouraging businesses to increase the production of recyclable products, thus protecting natural resources and the environment.

Chapter 3, section L (2) of the Administrative Policy Manual lays out the City of Glendale environmental purchasing program as follows:

#### **Recycled, Reusable and Recyclable Products**

- Fitness, quality and cost being equal, recycled, reusable and other "green" products shall be purchased.
- This policy shall apply to all contractors and grantees which perform contractual services for the City, produce or provide a work product to the City or on the City's behalf, and/or conduct work funded by a grant from the City.
- A statement outlining this policy concerning recycled, reusable and recyclable products shall be included in all formal bid solicitations.

Examples of the City pursuing green purchasing include:

- Purchase of low toxicity cleaning products;
- Purchasing of Energy Starr computers;
- Purchase of low emissions vehicles;
- Installation of waterless urinals in City parks;
- Purchase of recycled content paper;
- Purchase of recycled oils for fleet management.

## **ANALYSIS**

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### **Purpose of the EPP program**

City governments are large consumers of goods and services and these purchases have an environmental impact resulting from raw material extraction, product manufacturing, use and disposal. In accordance with the City of Glendale's Greener Glendale Plan, the City recognizes its responsibility to minimize negative impacts on human health and the environment while supporting a diverse, equitable, and vibrant community and economy. The City also understands that the types of products and services it buys have inherent social, human health, environmental and economic impacts, and that it should make procurement decisions that embody the City's commitment to sustainability. As the City of Glendale embraces sustainability goals there is a need to focus on procurement policy and practices that:

- Support the City of Glendale sustainability intentions to; reduce greenhouse gas emissions, meet zero waste goals, improve air and water quality, preserve and enhance biodiversity, and phase out toxic chemicals to protect and enhance quality of life in the City;
- Balance environmental attributes with performance, availability and financial considerations;
- Increase the use and availability of environmentally preferable products that protect the environment and meet social responsibility goals;
- Create and sustain environmentally sustainable jobs and encourage innovations in the green market place;
- Support internal sustainability champions undertaking environmental preferable purchasing decisions;
- Encourage manufactures and distributors to reduce environmental impacts in their production and distribution systems;
- Provide specific guidance to purchasing agents and vendors about our policies;
- Communicate the City's commitment to sustainable purchasing to its employees, vendors, and community

The goals of the EPP program may include the following:

- a) Increase the purchasing spend of environmentally preferable goods and services where criteria, certification and or labels have been established by governmental or other widely recognized and respected third party authorities.

- b) Procure products and services in a cost effective manner that advance the achievement of energy and environmental performance goals.
- c) Establish city specific standards, policies and programs and incentives for environmental acquisition.

Metrics to track the goals may include

- a) Percentage of contract actions containing environmental preferable purchasing requirements
- b) Percentage of spend (dollars) on environmental preferable goods and services

Performance metrics may include

- a) Increase in the contract actions and spend on environmental preferable goods and services over the previous fiscal year

### **Environmentally Preferable Purchasing Program Outline**

The environmentally preferable purchasing policy shall encourage all employees to purchase products or services in a manner that protects human health and the environment, is fiscally responsible and promotes social equity, business opportunities and other economic benefits to the community. This policy shall apply to all City departments and employees, vendors, contractors and grantees for all products and services provided to the City.

### **Sustainability Benefits**

City employees will encourage sustainability benefits to the maximum extent feasible when writing specifications, evaluating bids, and making other purchasing decisions.

Environmental and health benefits to be encouraged include, but are not limited to:

- Minimizing pollutant releases to air and water, particularly indoor air emissions;
- Avoiding products that contain toxic chemicals, especially persistent, bioaccumulative, and toxic (PBT) chemicals;
- Preventing acute and chronic human health risks, including cancer, asthma, reproductive toxicity, obesity, ergonomic effects, etc.;
- Reducing waste generation by choosing products that are reusable, recyclable, compostable, or made with recycled content;
- Lowering greenhouse gas (GHG) emissions associated with a product's manufacture, transportation and use;
- Saving energy through the purchase of energy-efficient products and increasing use of renewable energy such as solar or wind;
- Conserving natural resources including water, petroleum
- Promoting transparency, including disclosure of environmental, health, economic and social risks through the use of Environmental Product Declarations (EPDs), Health Product Declarations (HPDs), vendor sustainability ratings, etc.

- Fiscal benefits to be encouraged include, but are not limited to:
  - Reducing consumption by choosing reusable products
  - Ensuring performance and quality;
  - Reducing impacts on staff time and lowering maintenance costs;
  - Leveraging buying power by aggregating demand, cooperative purchasing, etc.;
  - Reducing financial risks.

While not all factors will be incorporated into every purchase, it is the intent of such a policy that City employees will make a good faith effort to promote sustainability factors to the maximum extent feasible. At the discretion of the City, formal solicitations may offer a discount or additional points to bidders that offer sustainable goods and services or that deliver goods or services using sustainable practices.

Nothing in such a policy shall be construed as requiring a City employee or contractor to procure goods or services that do not perform adequately for their intended use, that exclude adequate competition, or that are not available at a reasonable price in a reasonable period of time.

Standards, certifications, and eco-labels are a key element of any environmentally preferable purchasing policy. Using these tools will allow the City of Glendale to easily identify important environmental attributes of a goods and services, and to substantiate and verify environmental claims about the products to purchase.

Though the eventual policy should be written in a way that gives an environmentally preferable purchasing program the authority to establish criteria for any product or service, initial efforts will be made to prioritize product categories considered to be “low hanging fruit”. Examples of product categories might include the following: appliances, automobiles, cleaning products, computers, copier machines and multi-functional devices, food, furniture, industrial supplies, landscaping, lighting, office supplies, paper, playground equipment, printing services, transportation products, and servers, etc.

### **Strategies for Implementation**

If City Council direct staff to prepare an enhanced environmentally preferable purchasing program, the following strategies may be incorporated into the development of the policy.

#### **A. Source Reduction**

Source reduction focuses increasing efficiency in the purchasing program and reducing waste eliminating unnecessary purchases and involves actions such as:

- Institute practices that reduce waste, encourage reuse, and result in the purchase of fewer products.
- Where appropriate implement bulk purchasing of non-perishable items to reduce packaging and transportation journeys.
- Purchase remanufactured products such as toner cartridges, tires, furniture, equipment and automotive parts.

- Consider short-term and long-term costs in comparing product alternatives. This includes evaluation of total costs expected during the time a product is owned, including, but not limited to, acquisition, extended warranties, operation, supplies, maintenance and replacement parts, disposal costs and expected lifetime compared to other alternatives.
- Purchase products that are durable, long lasting, reusable or refillable and avoid purchasing one-time use or disposable products.
- Request vendors eliminate packaging or use the minimum amount necessary for product protection and. Vendors shall be encouraged to take back packaging for reuse. A vendor's willingness to take back packaging will be used as part of the consideration in the bid process.
- Specify a preference for packaging that is reusable, recyclable or compostable, when suitable uses and programs exist.
- Encourage vendors to take back and reuse pallets and other shipping materials.
- Encourage suppliers of electronic equipment, including but not limited to computers, monitors, printers, and copiers, to take back equipment for reuse or environmentally sound recycling when the City discards or replaces such equipment, whenever possible. Suppliers will be required to state their take back, reuse or recycling programs during the bidding process.
- Consider provisions in contracts with suppliers of non-electronic equipment that require suppliers to take back equipment for reuse or environmentally sound recycling when The City of Glendale discards or replaces such equipment, whenever possible. Suppliers will be required to state their take back, reuse or recycling programs during the bidding process.

## **B. Recycled Content Products**

The Comprehensive Procurement Guideline (CPG) program is part of EPA's Sustainable Materials Management initiative that promotes a system approach to reducing materials use and the associated environmental impacts over the materials' entire life cycle.

CPG continues the effort to promote the use of materials recovered from the municipal solid waste stream. Buying products made with recovered materials ensures that the materials collected in recycling programs will be used again in the manufacture of new products. There are 61 products designated in eight categories.

EPA is required to designate products that are or can be made with recovered materials, and to recommend practices for buying these products. Once a product is designated, procuring agencies are required to purchase it with the highest recovered material content level practicable. EPA publishes recommended recycled-content levels in a Recovered Materials Advisory Notice (RMAN) in the Federal Register.

The City may follow the State Agency Buy Recycled program, where State agencies must purchase recycled products instead of non-recycled products whenever recycled products are available, if fitness and quality are equal, and are at the same or a lesser total cost than non-recycled products. The State Legislature has mandated that state

agencies purchase goods and materials from 11 product categories (Public Contract Code (PCC) section 12201(c)).

The City may pursue a recycled content purchasing strategy where:

- Purchase products for which the United States Environmental Protection Agency (U.S. EPA) has established minimum recycled content standard guidelines, such as those for printing paper, office paper, janitorial paper, construction, landscaping, parks and recreation, transportation, vehicles, miscellaneous, and non-paper office products, that contain the highest post-consumer content available, but no less than the minimum recycled content standards established by the U.S. EPA Comprehensive Procurement Guidelines.
- Purchase multi-function devices, copiers and printers compatible with the use of recycled content and remanufactured products.
- In accordance with California Public Contract Code, Sec. 10409, purchase re-refined lubricating and industrial oil for use in its vehicles and other equipment, as long as it is certified by the American Petroleum Institute (API) as appropriate for use in such equipment. This section does not preclude the purchase of virgin-oil products for exclusive use in vehicles whose warranties expressly prohibit the use of products containing recycled oil.
- When specifying asphalt, concrete, aggregate base or portland cement concrete for road construction projects, use recycled, reusable or reground materials.
- Specify and purchase recycled content traffic control products, including signs, cones, parking stops, delineators, channelizers and barricades. Ensure pre-printed recycled content papers intended for distribution that are purchased or produced contain a statement that the paper is recycled content and indicate the percentage of post-consumer recycled content.

### **C. Energy Efficient and Water Saving Products**

Purchase energy-efficient equipment with the most up-to-date energy efficiency functions. This includes, but is not limited to, high efficiency space heating systems and high efficiency space cooling equipment.

The City may pursue an energy efficient and water savings purchasing strategy where:

- Replace inefficient interior lighting with energy-efficient equipment.
- Replace inefficient exterior lighting, street lighting and traffic signal lights with energy-efficient equipment. Minimize exterior lighting where possible to avoid unnecessary lighting of architectural and landscape features while providing adequate illumination for safety and accessibility.
- Purchase U. S. EPA Energy Star certified products when available. When Energy Star labels are not available, choose energy-efficient products that are in the upper 25% of energy efficiency as designated by the Federal Energy Management Program.

- Purchase U.S. EPA WaterSense labeled water-saving products when available. This includes, but is not limited to, high-performance fixtures like toilets, low-flow faucets and aerators, and upgraded irrigation systems.

#### **D. Third Party Environmental Specifications:**

City employees may be encouraged to use independent, third-party social and/or environmental product or service labels (sustainability labels) when setting standards, writing specifications for, or procuring products or services as long as such labels:

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

Recommended Private Sector Standards Specify and purchase environmentally preferable products and services where criteria, certifications, and/or labels have been established by widely recognized and respected third-party authorities, such as, but not limited to, Energy Star, Green Seal, UL Ecologo, UL Greenguard, Chlorine Free Products Association (CFPA), EcoWise Certified Integrated Pest Management, Forest Stewardship Council (FSC), Sustainable Forestry Initiative (SFI), Fair Trade Certification, Fairtrade International Certification, Rainforest Alliance Certification, US EPA Safer Choice and WaterSense guidelines, Carbon Disclosure Project, BIFMA , Federal Electronic Product Environment Assessment Tool (EPEAT) program guidelines for electronics

#### **E. Extended Producer Responsibility**

EPR products Incorporate a policy of Extended Producer Responsibility (EPR), that is, shifting costs and responsibilities of end-of-life product management responsibility and costs from the City to product manufacturers and/or distributors, incorporate EPR take-back manages into purchasing and service contracting processes and specifications. Specifications and Contracts issued by the City shall contain EPR mandates, requiring vendors providing good or services to the City to be responsible for providing the proper take-back, collection, recycling or disposal of their products, at their own cost.

EPR mandates may be applicable, but not limited to, the following products:

- Batteries, and products that contain batteries
- Carpet
- Fluorescent Lamps
- Gas Cylinders
- Mattresses
- Oil and other automotive fluids
- Paint
- Sharps

In addition, service vendors, such as but not limited to, companies that maintain or repair buildings, equipment, landscapes, and provide other services to the City, shall be responsible for removing all materials and supplies that they bring onto City property, such as but not limited to, spent light bulbs and cartridges, mortar mix, paint, and packaging; these companies shall also be responsible for recycling recyclable materials brought onto City property in accordance with the City's recycling program; and

#### **F. Price preferences:**

The City may allow a price premium to be applied to environmentally preferable or green purchases. Such a premium may range from five to ten percent, or greater. Due to the disparate nature of products, not every product or service requires the application of a price preference. Such program may work where the City establishes a minimum specification with the most environmentally preferable solutions for particular products, and may also utilize a scored evaluation criteria allowing additional points for positive environmental product options, corporate practices, and other environmental solutions proposed by the Bidder.

Due to the dynamic nature of the EPP marketplace and the unique needs of product end-users, environmentally preferable purchasing policies tend to outline scenarios in which the purchase of an environmentally preferable product is not necessary. Policy language tends to identify the following as viable justification for a waiver from the EPP policy:

- The sustainable product does not meet the required form, functionality, or utility
- The sustainable product is prohibitively expensive or cannot be competitively priced
- An emergency or compelling public health or safety reason exists to prohibit the purchase

### **Policy Options**

#### **A. Mandatory EPP Specifications**

The City may establish minimum environmental specifications for a number of products and services. These products/services would be selected as they would be available at a value and quality comparable to non-environmentally preferable counterparts. Example would be default to green purchases for all office products.

#### **B. Recommended EPP Specifications**

The City may determine that certain commodities are frequently available at a value and quality comparable to non-environmentally preferable counterparts and often offer a significant cost saving potential within a short period of time. The City may wish to integrate desirable specifications for these products/services into future contracts.

### **Next Steps**

If City Council are to direct staff to prepare an expanded Environmentally Preferable Purchasing Policy, staff will undertake the following actions:

- Draft an Environmentally Preferable Purchasing Policy.
- Circulate the draft EPP Policy internally and to the Sustainability Commission for review and comment.
- Re-draft EPP Policy based on feedback and comments.
- Present final EPP Policy to City Council.

## **STAKEHOLDERS/OUTREACH**

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Outreach was made to internal stakeholders in Finance.

## **FISCAL IMPACT**

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No fiscal impact associated with this report

## **ENVIRONMENTAL REVIEW**

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This item is considered a ministerial activity and therefore, not subject to CEQA review.

## **CAMPAIGN DISCLOSURE**

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This item is exempt from campaign disclosure requirements.

## **ALTERNATIVES**

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Alternate 1: At this time City Council may not wish to direct staff to prepare and expand environmental preferable purchasing policy.

Alternate 2: City Council may direct staff to address environmental preferable purchasing policy components not addressed in this report.

Alternate 3: The City Council may consider any other alternative not presented by staff.

## **ADMINISTRATIVE ACTION**

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Roubik R. Golanian, P.E., City Manager

## **EXHIBITS / ATTACHMENTS**

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