

GENERAL ADMINISTRATION MANUAL

VOLUME 2: HIGHWAYS AND PUBLIC WORKS POLICIES

TITLE: GREEN PROCUREMENT POLICY

EFFECTIVE: May 20, 2010

1 SCOPE

1.1 Authority

This policy is issued under the authority of Cabinet meeting #10-13 dated May 20, 2010.

1.2 Application

This policy applies to the procurement of goods, services and construction in all departments, as defined in Policy 2.1.

1.3 Purpose and Principles

The policy is intended as a framework for ongoing change in greening government operations over time. The broad purpose of this policy is to enhance environmental protection and support sustainable development in government operations by meeting appropriate green standards when purchasing goods, services and construction.

The goal of the policy is to address the following environmental objectives:

- reducing greenhouse gas and ozone depleting emissions,
- improving energy and water efficiency in government operations,
- improving use of renewable resources,
- improving reuse and recycling of materials, and
- improving hazardous/toxic waste management.

Green standards will be used to consider the total life cycle of goods and services prior to finalizing purchasing decisions.

The life cycle concept, with goods and construction procurements, includes consideration of:

- the source of raw materials for the product,

- the manufacturing process,
- the transport of materials to the end user,
- the actual use of the materials, and finally,
- the ultimate disposal of the materials once they are no longer of use.

1.4 Background

The objective of this policy is to enhance environmental protection and support sustainable development in government operations.

More specifically, the intent is to implement this policy in a way that supports the government's goals with respect to the Climate Change Action Plan.

Yukon government departments shall, where practical, specify environmentally preferred products and services in all procurement actions related to goods, services and construction.

1.5 Definitions

Environmentally preferred products and services means those which meet environmental performance (or 'green') standards adopted from time to time by the Yukon Government.

Practical means environmentally preferred products and services that: 1) are able to perform the intended function at least as well as, if not better than, non-environmentally preferred products and services; and 2) are available at a reasonable cost, including, where applicable, their total life cycle cost.

Total life cycle costing includes both initial costs and future costs and benefits (savings) of an investment over some period of time. The basic equation for Total Life Cycle Costing can be expressed as follows:

Total LCC = first costs plus all future costs (operating, maintenance, repair and replacement costs and functional-use costs) minus salvage value (i.e., value of an asset at the end of economic life or study period).

2 ROLES AND RESPONSIBILITIES

2.1 Departments

Departments are responsible for:

- Annually reviewing their requirements for goods, services and construction;

- Adhering to standards as adopted by the Yukon government from time to time; and
- Recommending standards to Highways and Public Works for adoption under this policy.

2.2 Highways and Public Works

The Department of Highways and Public Works is responsible for:

- Instituting green procurement directives and identifying and recommending standards for adoption;
- Carrying out consultation with departments and suppliers regarding the development of standards;
- Working with departments to bring forward proposals for new standards to Management Board where adoption of a new standard will have significant financial implications;
- Providing tools, training and guidance for staff who use these directives and standards;
- Incorporating environmental preference considerations into the commodity and construction management process;
- Highways and Public Works will publish any standard once it is adopted so that it is accessible throughout government and to suppliers;
- Analyzing and reporting on progress in 'greening' government commodity and construction procurement practices; and
- Acting as a coordinating body for green procurement.

2.3 Environment

Environment is responsible for monitoring progress and developing a reporting mechanism in implementing the provisions of the Climate Change Action Plan.

Environment can also provide advice on the technical and scientific aspects of the 'green' procurement policy (e.g. information on toxicity of a particular product).

2.4 Energy Mines and Resources

The Energy Solutions Centre can provide technical and scientific advice on implementation of this policy (e.g. information on how to improve energy efficiency in an office building).

EMR Resource Policy Unit is responsible for monitoring progress in implementing the provisions of the Yukon Energy Strategy.

2.5 Yukon Housing Corporation

The Yukon Housing Corporation can also provide technical advice on improving energy efficiency in buildings.

3 IMPLEMENTATION

The policy will begin to be implemented immediately after approval. However, it is anticipated that full implementation of monitoring and reporting mechanisms associated with the policy would be driven by the implementation of the Climate Change Action Plan accountability mechanisms.

Implementation Principles

- 3.1.1 Evaluation of service procurements should be done through identification of criteria such as company green certification for consultants, costs of hiring outside expertise in terms of environmental impacts of bringing them to the Yukon versus alternative means of managing contracts with consultants (e.g. use of video conferencing, electronic mail, etc.). These criteria can be used to assess both financial and environmental costs in order to determine best value for a given service contract.
- 3.1.2 Green procurement will be largely driven by the standards used to select the goods, services and construction procured by departments. Standards provide the clearest direction to staff and the most direct guidance in making procurement decisions.
- 3.1.3 Adopting green procurement standards will require ongoing consultation with goods, services and construction suppliers in identifying standards for implementation. Changing how government does business will involve shifts within the supply chain which must be carried out in such a way that suppliers can reasonably make the transition required to adapt their sources of supply, obtain any requisite certification and acquire the required knowledge to remain competitive.