



CITY OF NORTH VANCOUVER

SUSTAINABLE PURCHASING POLICY

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1) PURPOSE

The City of North Vancouver within our Official Community Plan (OCP) commits to a vision of sustainability. This Community Vision is:

To be a vibrant, diverse and highly liveable community that strives to balance the social, economic and environmental needs of our community locally.

This policy will create a framework for sustainable purchasing as part of the commitment to this vision. Staff will incorporate this framework into policies, procedures and practices as applicable.

DEFINITION

Sustainable Purchasing is defined as:

Purchasing as a management process used to acquire goods and services ("products") in a way that gives preference to suppliers that generate positive social, environmental and economic outcomes, and that integrates sustainability considerations into product selection so that impacts on society, the environment and the economy are minimized throughout the full life cycle of the product. Sustainability purchasing entails looking at what products are made of, where they have come from, who has made them, how they will be ultimately disposed – even considering whether the purchase needs to be made at all.

Sustainable Purchasing focuses on three key considerations:

1. Financial / Economic Considerations.
2. Environmental Considerations.
3. Social Considerations.

Within these three key considerations exist a range of objectives that include, but are not limited to:

- Waste Prevention and Reduction
- Resource Reduction
- Life Cycle Value
- Pollution and Toxin Reduction
- Reduction of Greenhouse Gas Emissions
- Biodiversity Maintenance and Habitat Protection
- Wages and Working Conditions
- Employee Health and Safety
- Human Rights
- Growth of Sustainable Economy
- Support for Local Economy
- Support for Social Enterprises
- Aboriginal Procurement
- Fair Trade
- Food Security

GOAL

All decisions for purchases of goods and services for the City of North Vancouver will take into account the three key sustainability considerations. Exceptions may be warranted in extenuating circumstances.

- 'Financial/Economic' – the financial dimension ensures value for funding remains a key criterion in any procurement decision process as well as any possible application of corporate fiscal policies; the economic dimension introduces consideration of impacts on the economy, both local and external;
- 'Environmental' - this ensures that environmental impacts, both local and global, are included in any contracting decision;
- 'Social' - this is largely a matter of compliance to safety/labour standards and the conduct of business activities in a socially responsible manner.

2) POLICY

The execution of this policy will involve the efforts of City staff and our suppliers:

City Staff

All decisions for purchases of goods and services for the City of North Vancouver will endeavour to include evaluation criteria that have a sustainable component. End users and specifiers of purchase requirements will develop performance specifications and selection criteria that allow for evaluation of one or more sustainable considerations.

Suppliers of goods and services

All suppliers of goods and services will be required to declare any violations, or determinations by a regulatory body to applicable environmental, employment, human rights and safety legislation.

Suppliers will also be asked to provide a statement that describes their firm's environmental and social practices.

FINANCIAL/ECONOMIC CONSIDERATIONS:

The purpose of this consideration is to ensure long term value for funding remains a key criterion in any purchasing decision while avoiding any extraordinary negative economic impacts. Not all of these considerations may be easily quantifiable today, but as these become more 'mainstream' and the information more readily available, they will then form part of the evaluation process.

Policy Statement: Purchasing decisions will take into account the following financial and economic factors:

1. price comparison for equivalent quality of materials or services;
2. total life cycle financial cost of the goods or services to be purchased;
3. where appropriate, any extraordinary impacts on the local economy;
4. where appropriate, any extraordinary impacts on other economies.

Application:

- Purchasing documents will require a clear statement of price for the goods and services to be purchased;
- Bidders may be required to declare whether they have any knowledge of extraordinary economic impacts of the proposed contract;
- Where appropriate, bidders may be required to give an account of the estimated lifecycle financial costs of the goods or services to be purchased.

ENVIRONMENTAL CONSIDERATIONS:

The purpose of this consideration is to ensure purchases have the most positive long term impact on the environment. It includes requiring legal compliance with environmental standards and encouraging environmentally responsible behaviour.

a) The contractor's/supplier's need to meet any legal requirements related to environmental laws and regulations, and the City's standards, which in some cases may exceed any minimums outlined in the laws and regulations.

b) The encouragement of the use of environmentally benign products or processes, the elimination, reduction or mitigation of the use of harmful substances, the use of more renewable and recycled materials and the reduction of the use of non-renewable resources, and generally the more efficient use of energy and other resources.

Policy Statement: Purchasing decisions will:

1. require Contractors and Suppliers to meet environmental standards, laws and regulations in their operations and in their product offerings;
2. where appropriate, require Contractors and Suppliers to give prior notice of any potential extraordinary environmental risk on the local ecosystem or ecosystems elsewhere and assess the acceptability of such impacts;
3. take into account the total life cycle environmental cost of the goods or services to be purchased, to the extent that can be estimated;

4. where considered appropriate, give preference to contractors and suppliers who demonstrate the use of environmentally benign products or processes, the minimization of the use or generation of harmful substances; the minimization of the use of non-renewable resources and the substitution therefore of renewable resources or recycled content and post consumer waste; the maximization of energy and materials efficiency, and minimization of waste and emissions.

Application:

- Purchasing documents will require bidders to declare they comply with all environmental laws and regulations. These are considered minimum standards and bidders may be required to exceed these standards as determined by the City. Bidders may be required to declare the same of their suppliers.
- Bidders will be required to declare if they have been found by a recognized regulatory or adjudication body to be non-compliant or in violation of these standards, laws and regulations within the past three years.
- Bidders may be required to declare whether they have any knowledge of any potentially extraordinary environmental risk of the proposed goods or services to be purchased;
- Where appropriate, bidders may be required to give an account of the estimated lifecycle environmental costs of the goods or services to be purchased.
- Bidders may be required to describe 'end of life' options which identify the re-use, recycling or sustainable disposal opportunities for the goods being supplied.

SOCIAL CONSIDERATIONS:

The purpose of this consideration is to ensure procurements do not have a negative impact to social development. The three main considerations are:

- a) Contractors and Suppliers need to meet any legal requirements related to workplace/worker's safety laws and regulations as well as the City's standards, which may exceed any minimums set out in the laws and regulations.
- b) Contractors and Suppliers must comply with the employment and human rights laws relating to the work under agreement and at a minimum must meet the International Labour Organization's (ILO) fundamental conventions that have been ratified by Canada (see Appendix "A") which set minimum standards of basic labour rights. Bidders may be required to declare the same of their own suppliers. In addition, Contractors and Suppliers may be required to declare all convictions of themselves and principal officers under the above laws and Canada's *Corruption of Foreign Officials Act*.
- c) Contractor's and Supplier's contribution to social development and the development of social capital (including for example: Social Purchasing Portals, Fast Track to Employment Programs, etc.) will be considered where this is deemed practical and appropriate.

Policy Statement: Purchasing decisions will:

- 1) require Contractors and Suppliers be held to relevant safety, employment and human rights laws, regulations and conventions. These conventions include prohibitions against the worst form of child labour; abolition of forced labour; freedom of association and protection of the right to organize; prohibitions against discrimination; equality of opportunity, treatment, and remuneration; adherence to laws of the lands in which they conduct business; and prohibitions of the payment of bribes and unwarranted commissions;
- 2) where appropriate, require Contractors and Suppliers to give prior notice of any potential extraordinary social impacts/risks and assess the acceptability of such impacts;
- 3) where considered appropriate, give preference to Contractors and Suppliers who demonstrate the proposed contract will involve actions which contribute positively to community social development and assist in the conservation or development of social capital.

Application:

- Purchasing documents will require bidders to: declare they adhere to Safety, Employment and Human Rights laws of the country relating to the work under agreement and at a minimum must meet the ILO fundamental conventions ratified by Canada and may be required to declare the same of their sub-contractors and suppliers.
- Bidders will be required to declare if they have been found by a recognized regulatory or adjudication body non-compliant or in violation of these standards, laws and regulations within the past three years.
- Bidders may be required to declare whether they have any knowledge of any potentially extraordinary social impact/risk of the proposed goods or services to be purchased;
- Purchasing documents may invite bidders to declare how the carrying out of the proposed agreement will involve actions which contribute to social development or assists in the conservation or development of social capital either in this community or elsewhere.

3) COMPLIANCE

The Purchasing Manager will be responsible to ensure compliance with, and administration of, the sustainable purchasing policy. The supplier community will be required to, when asked, make declarations regarding their compliance with laws, standards or specifications. The City will not proactively seek to certify or inspect compliance upon suppliers, although we do reserve the right to do so. The emphasis of this policy is on voluntary declarations and statements.

The consequences of providing a false declaration should be clearly described in purchasing documents and include remedies up to termination of the contract and may influence future award considerations. Moreover, the business market in which we deal is quite competitive and cognizant of contracts awarded publicly. The City will encourage public review of award decisions and suppliers should be informed that it is likely that

any non-compliance would be brought to our attention from other interested parties and may be acted upon by the City.

The sustainable purchasing policy is intended to be self-regulating. Should purchasing documents fail to utilise sustainable specifications or criteria, should suppliers fail to provide legitimate declarations, then the marketplace itself will provide the oversight necessary to ensure compliance.

Appendix “A”

International Labour Organization (ILO) Conventions

Since 1919, the International Labour Organization has maintained and developed a system of international labour standards aimed at promoting opportunities for women and men to obtain decent and production work, in conditions of freedom, equity, security and dignity.*

Canada ratified thirty ILO conventions of which five are classified as fundamental conventions covering such issues as: the worst form of child labour, abolition of forced labour, freedom of association and protection of the right to organize, discrimination and equality of opportunity and treatment, and equal remuneration (C182, C105, C87, C111, C100).

A brief statement regarding each of these fundamental conventions is listed below for general information purposes. These statements are not an official or legal interpretation of the convention. A complete listing and copy of each convention can be obtained at: <http://www.ilo.org/ilolex/english/newratframeE.htm>

Worst Form of Child Labour (182)

The worst forms of child labour, including work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children, need to be prohibited and eliminated

Abolition of Forced Labour (105)

Compulsory or forced labour is not tolerated, wages shall be paid regularly and not withheld to deprive a worker from terminating employment.

Freedom of Association and Protection of the Right to Organize (87)

Workers, without distinction, shall have the right to establish and join organizations of their own choosing.

Discrimination and Equality of Opportunity (111)

All workers irrespective of race, creed or sex have an equal opportunity and treatment with regards to employment and occupation.

Equal Remuneration (100)

All workers shall be paid on the principle of equal remuneration for men and women for work of equal value.

*Source: International Labour Organization web-site

Appendix “B”

Supplier Code of Conduct

Introduction

This Supplier Code of Conduct (SCC) is intended to augment and expand upon the core labour conventions of the ILO as found in Appendix A of this Sustainable Purchasing Policy. The SCC sets the ethical performance expectations for suppliers of goods, services or equipment to the City of North Vancouver.

The goal of the SCC is to ensure safe and healthy workplaces for the people who make products (or provide services) for the City; to partner with suppliers who share the same values for human and civil rights conditions as does the City.

Sustainability decisions are informed and guided by measures of ecology, economy and the expectations of society. The City looks to create business relationships that recognize, respect and help reach the goals of sustainability that are defined in our Official Community Plan.

The policy is not intended to interfere with collective agreements. It is the supplier's responsibility to ensure subcontractors are compliant with the SCC.

Legal and Ethical Responsibilities

City suppliers and their sub-contractors will comply with national and other applicable laws of the country of manufacture of products including those laws relating to labour, worker health and safety, and the environment. Where the provisions of law and this SCC address the same issue, the provision that is most stringent will apply.

Child Labour

City suppliers and their sub-contractors:

- will not hire people under the age of 15, (or 14 where the International Labour Organization exemption for developing countries allows) unless local minimum age law stipulates a higher age for work or mandatory schooling, in which case the higher age would apply, as defined by the International Labour Organization.
- where local laws do not exist or where they set lower standards than the ILO, the ILO standards shall prevail.
- where a child worker must be displaced, adult family members should have the opportunity to assume the child's position in order to maintain family earnings.

Forced Labour

City suppliers and their sub-contractors shall not:

- use forced, illegal, or prison labour, including indentured or bonded labour, or any form of compulsory labour to manufacture our products. (Excluding approved and recognized work programs)

Disciplinary Practices

City suppliers and their sub-contractors shall:

- treat workers with respect and dignity. No employee shall be subject to any form of physical, sexual, psychological, or verbal harassment or abuse.
- ensure workers are free to express their concerns about workplace conditions without fear of retribution of losing their jobs. Workers should have access to a formal avenue to express concerns directly to factory management or jurisdictional authority.

Freedom of Association

City suppliers and their sub-contractors will recognize and respect that workers, without distinction, have the right to form or join trade unions of their own choosing and

to bargain collectively.

Wages and Benefits

City suppliers and their sub-contractors recognize that wages are essential to meeting the basic needs of employees. Employers shall:

- pay employees, as a minimum, at least the minimum wage required by local law or the prevailing industry wages, whichever is higher, and shall provide legally mandated benefits.
- pay workers directly and provide workers with clear, written accounting of hours worked, deductions, and regular and overtime wages in a language they can understand.

Hours of Work

City suppliers and their sub-contractors shall:

- ensure that regular working hours do not exceed forty eight (48) hours per week, and that the combination of regular hours and required overtime hours do not exceed sixty (60) hours per week except in emergency circumstances.
- ensure that overtime hours are compensated either according to the law, or where the law is silent, at premium rates for hours in excess of forty eight (48) hours and that hours worked in excess of sixty (60) hours per week are on a voluntary basis.
- ensure that workers are provided at least one day off during every seven (7) day period.

Discrimination

City suppliers and their sub-contractors shall:

- consider employees for positions on the basis of their qualifications and abilities. The City will not work with suppliers who discriminate on the basis of race, gender, political or religious beliefs, social, ethnic or national origin, marital status, age, union affiliation, sexual orientation, or disability.
- ensure pregnant workers are assigned work tasks appropriate for, and not threatening to, their condition.

Health and Safety

City suppliers and their sub-contractors shall:

- provide a safe and healthy working environment to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of employer facilities.
- provide health and safety training appropriate for their industry.
- ensure that any living facilities provided for personnel are safe and clean and meet the basic needs of personnel.

Environmental Commitment

City suppliers and their sub-contractors shall:

- ensure all waste materials, as a by-product of production, are disposed of properly in an environmentally responsible manner, and according to the local and international laws and regulations.
- seek out leading industry practices aimed at conserving natural resources and reducing carbon emissions.
- commit to packaging standards that reduce the amount of materials used or, have a recycled content with a minimum of 30% post consumer waste content.
- ensure compliance with third party, bona fide, local and international standards for materials and ethical conduct.

Compliance and Implementation

The City expects all its suppliers to respect its SCC and to actively do their utmost to achieve the City's standards. The City believes in cooperation and the City is willing to work with its suppliers to improve performance where necessary. The City may require that suppliers provide details on factory and production facility locations of suppliers and subcontractors and may make this information publicly available

The City reserves the right to ask for proof of compliance with all applicable labour, health, safety, and environmental laws, and may inspect working conditions, at any time (or request independent verification of compliance). Suppliers must maintain current and sufficiently detailed records to substantiate their compliance with the SCC and the City may ask that they are independently verified at the supplier's expense.