



Treasury Board of Canada
Secrétariat

Secrétariat du Conseil du Trésor
du Canada

Canada



Green Procurement in the Government of Canada Presentation for CIPMM

Nick Xenos
Executive Director, Centre for Greening
Government

Nick.Xenos@tbs-sct.gc.ca

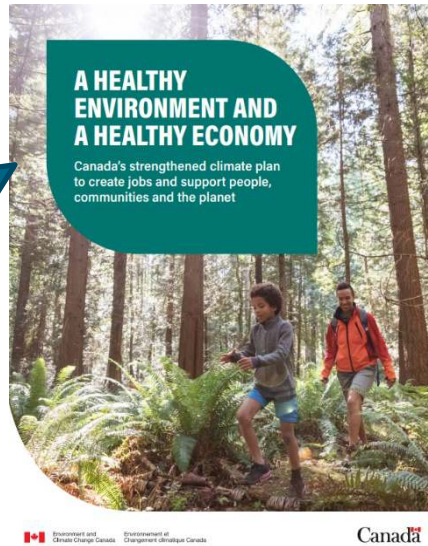
3 February 2021

Policy context - Federal climate change commitments



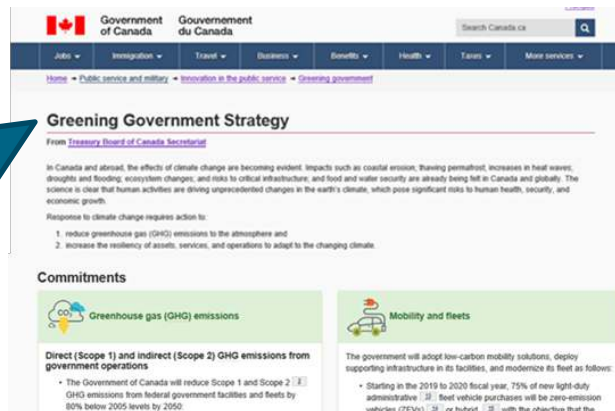
Keep the global temperature increase to well below 2 degrees Celsius

2020: Canada's enhanced climate plan targets net zero carbon by 2050 and includes greening government commitments



FSDS: Goal 2: Greening Government

2020: Updated Greening Govt. Strategy Net-0 by 2050 for govt operations/procurement



2018: Updated Policy on Green Procurement



Greening Government Strategy (GGS)

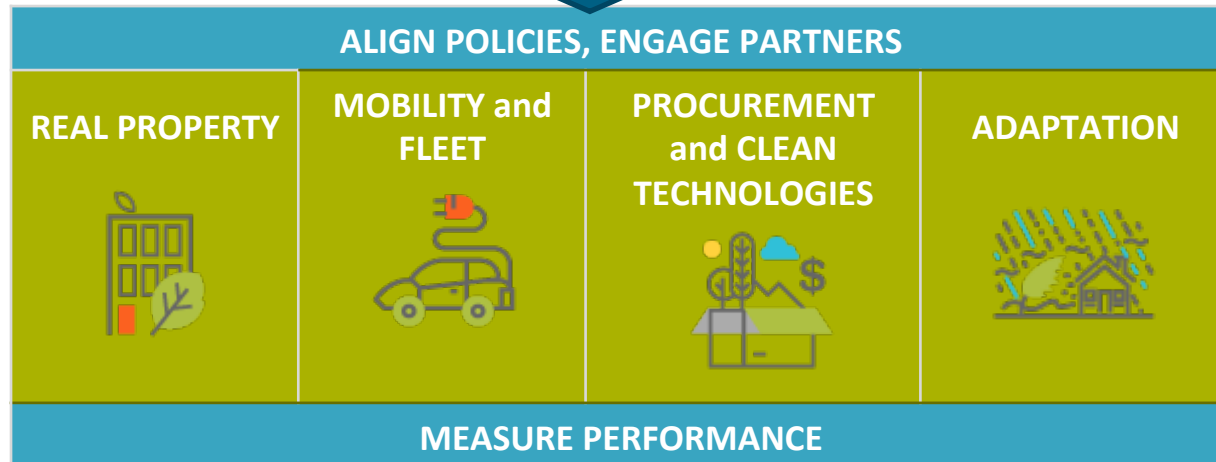
Objective:

- ❖ 40% reduction of emissions by 2025
- ❖ Net zero by 2050
- ❖ Overall green & climate resilient government operations

In-line with:



Strategy (GGS) developed to get there:



Implementation:

- TBS providing direction, guidance, Greening Govt Fund
- Expert depts. providing support (TBS/NRCan/PSPC/NRC/ECCC)
- **DEPARTMENTS TAKING ACTION**

Performance:

34.6% reduction in GHG emissions to date

Greening Government Strategy 2020

Strengthened language in procurement section



Procurement of Goods and Services

The government will aid the transition to a net-zero, **circular economy** through green procurement that includes life-cycle assessment principles and the adoption of clean technologies and green products and services by:

1 including criteria that address carbon reduction, sustainable plastics and broader environmental benefits into procurements by departments for goods and services that have a high environmental impact;

2 **incentivizing** major suppliers to adopt a **science-based target in line with the Paris Agreement**, and to disclose their GHG emissions and environmental performance information;

- supporting departments in adopting clean technology and undertaking clean technology demonstration projects;
- eliminating the unnecessary use of single-use plastics in government operations, events and meetings;
- promoting the procurement of sustainable plastic products and the reduction of associated plastic packaging waste;
- strengthening support for green procurement, including guidance, tools and training for public service employees.

1 i.e. mandatory requirements in a Standard for Green Procurement in development

2 i.e. mandatory requirement for high value contracts in development

Policy on Green Procurement at a Glance

Objective

- to advance the protection of the environment and support SD by integrating environmental performance considerations into the procurement decision-making

Expected results

- **contribution to environmental objectives** related to GHGs, water, air, energy, ozone depleting substances, reuse and recycling; hazardous waste, toxic and hazardous chemicals and substances; and biodiversity, resilience to climate change
- **lever the purchasing power** of the federal government to achieve economies of scale
- more environmentally responsible **planning, acquisition, use and disposal** practices
- support a healthier working environment workplace for **employees**

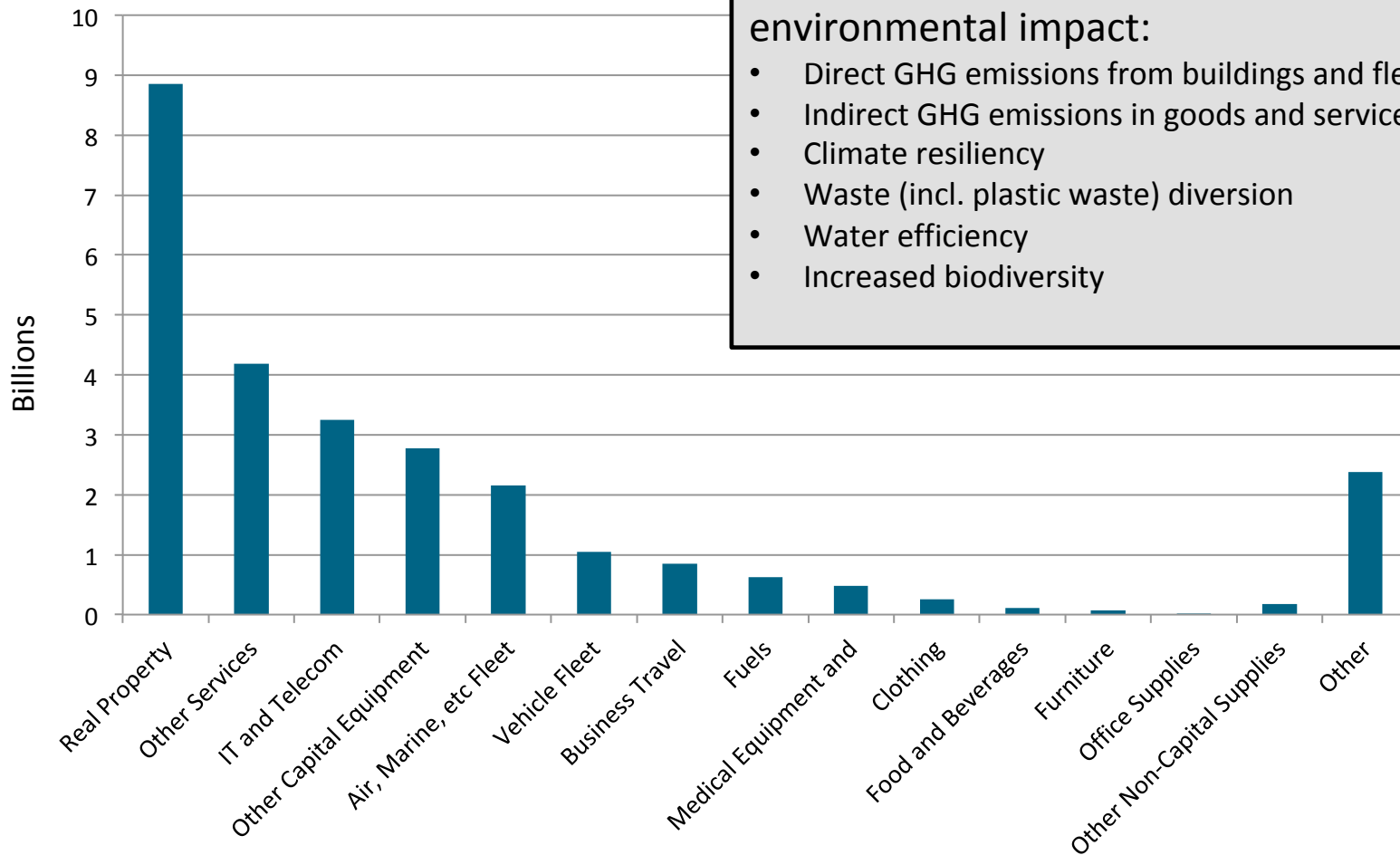
Deputy Head Requirements

- ensure that the objectives of green procurement are realized
- ensure **management control frameworks** incorporate environmental considerations: from procurement planning, identification and definition of requirements, acquisition, operation and maintenance of assets, to disposal of goods or closure activities of services.
- **support the Treasury Board of Canada Secretariat** in its lead role in ensuring the implementation of this policy and PWGSC in the development of procurement or materiel strategies and instruments

With key leadership roles identified for: TBS, PSPC, ECCC, NR Can, and SSC

Federal procurement spend and high environmental impact categories

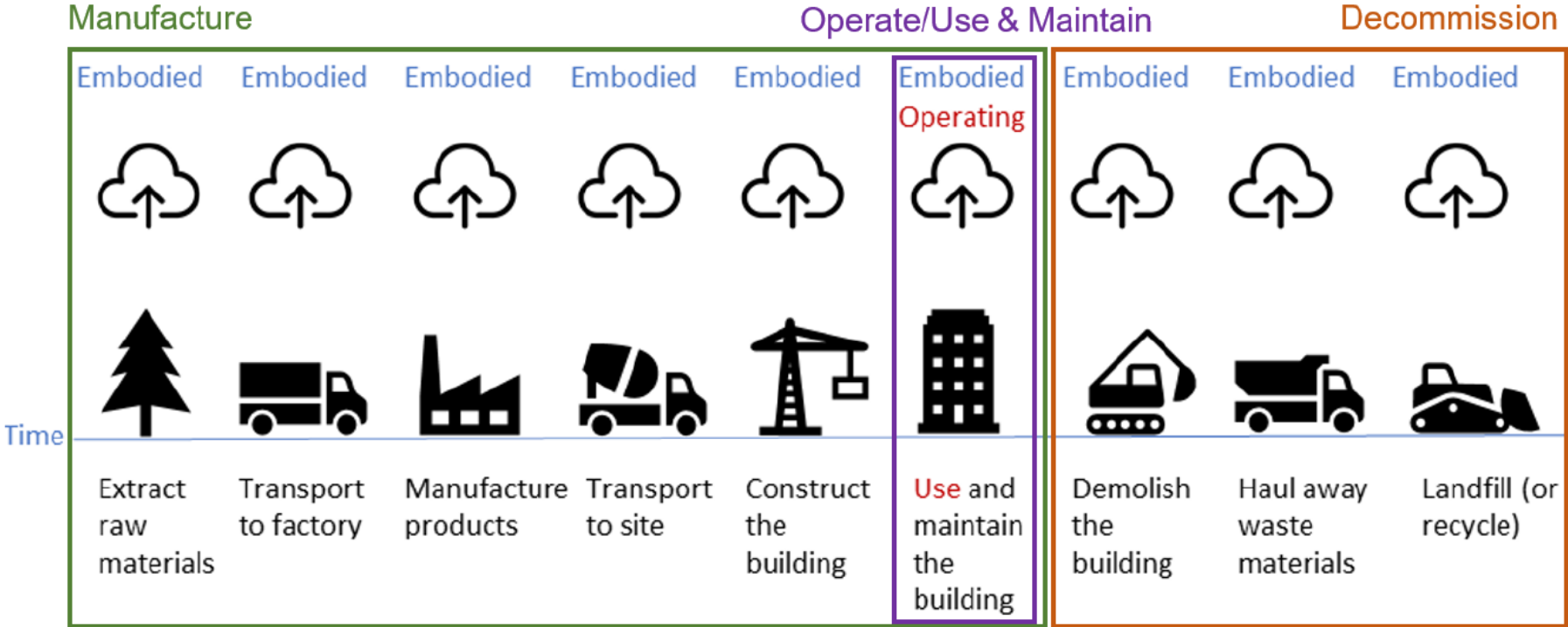
**Volume of government procurement through PSPC by category
(2014-15 to 2016-17)**



Procurement categories to focus on depend on environmental impact:

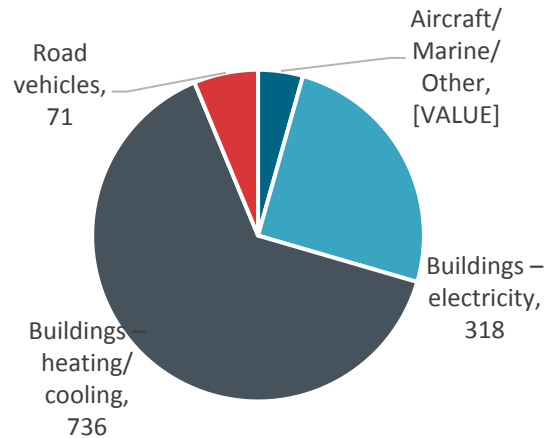
- Direct GHG emissions from buildings and fleet
- Indirect GHG emissions in goods and services
- Climate resiliency
- Waste (incl. plastic waste) diversion
- Water efficiency
- Increased biodiversity

Embodied + Operating = Whole life cycle

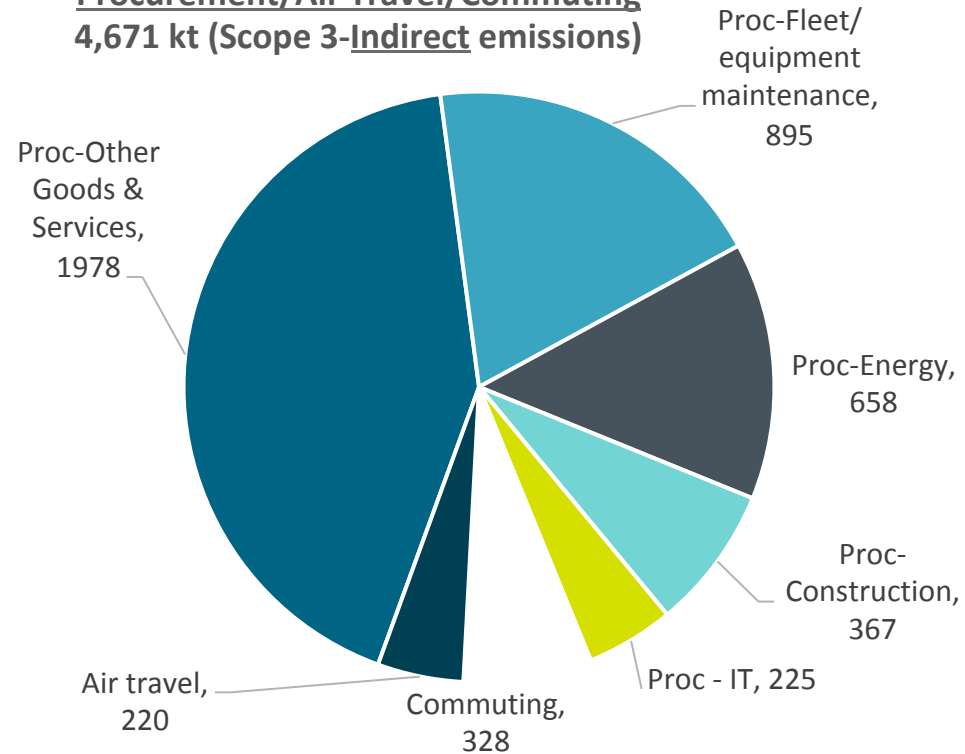


Sources of all Federal Emissions – 2019-20

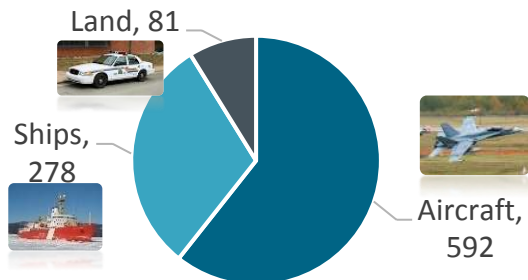
Buildings, Fleet
1,177 kt (Scope 1-2)



Procurement/Air Travel/Commuting
4,671 kt (Scope 3-Indirect emissions)



National Safety and Security
951 kt (Scope 1)



Other sources of emissions:

- **Crown corps:** Canada Post-141 kt; Via-137kt; CBC/SRC-38kt
- **Missions abroad** (TBD)
- **Domestic Office Leases** (approx. 130 kt)
- **Fugitive gases** (TBD)
- **Emissions from decentralized procurement** (TBD)

GoC green procurement across categories

Not to scale

	Construction		Goods		Services		Info & Comms Tech			
	Buildings	Works & Infrastructure	Fleet & Energy	Goods	Professional Services	Other Services	Servers & cloud space	Hardware	ICT Services	
GGs: "incentivizing major suppliers to adopt a science-based target in line with the Paris Agreement, and to disclose their GHG emissions and environmental performance information"										
<p>> \$25k Ave. 28,800 contracts \$17B / year</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">\$ contract value \$\$</p>	<p>climate resilience</p> <p>net-zero construction</p> <p>net-zero leases</p> <p>structural materials</p>		<p>land fleet</p> <p>electricity</p> <p>fuels</p>	HICATs	HICATs	HICATs	HICATs	HICATs	HICATs	
	<p>Criteria: mandatory and points-based evaluation criteria in PSPC & SSC shared instruments Guidance: buyers should ask for known environmental certifications in RF(x), buyers should survey suppliers (RFI) for environmental performance and set criteria based on responses, all suppliers should practice basic environmental performance (link to related gov programs) Training: GP-215</p>									
<p>< \$25k Ave. 331,000 contracts \$.8B / year</p> <p><\$25/40k Sole source/ Acquisition cards</p>	<p>Guidance: buyers should ask for known environmental certifications in RF(x), buyers should choose green goods and services in catalogues</p>									

HICATs

Procurement categories with a high environmental impact are addressed through commitments in the GGS or mandatory requirements in the Standard for Green Procurement, and with associated guidance.

TBS Green Procurement Policy and Guidance

Italics = under development

Policy Instrument	Purpose
Greening Government Strategy (approved by Cabinet)	Commits Government to meet a 2050 target for Scope 3 emissions from procurement, include criteria for high environmental impact buys, work with suppliers to set targets, reduce plastic waste, and adopt clean tech
Policy for Green Procurement (approved by TB)	Requires DMs to ensure management control frameworks incorporate green procurement; identifies additional responsibilities for PSPC, SSC, NR Can, ECCCC
<i>Standard for Green Procurement</i> <i>(in development)</i>	<i>Directs departments to apply and report on mandatory criteria for high impact categories</i> <i>Includes list of high impact categories and associated mandatory requirements</i>
Green Procurement Guidance (on GCpedia)	General guidance to departments on key concepts and applying green procurement in non high impact categories. <i>Guidance plus standard procurement language / evaluation criteria for specific non high impact categories, e.g. carbon offsets, PPE</i>

High-impact categories - mandatory reqts/guidance being developed

(CC: climate change, BCA: Buyers for climate action)

CC-BCA-RP new construction (mitig/resilience) – operational

CC-BCA-RP retrofits (mitig/resilience) – operational

CC-BCA-Clean electricity – operational

CC-Exec fleet – operational

CC-BCA-Conventional fleet purchases – operational

CC-BCA-New construction/major retrofits LCA: 1-whole-asset (B), 2-steel (C)

CC-BCA-Cement and concrete

CC-Fleet(ships/jets)/equipment & maintenance - embodied carbon

CC-BCA-High value contracts – science-based target/disclosure

CC-BCA-Horizontal LCA requirement (will apply to these categories: X, Y, Z)

CC-Offsets

CC-Energy efficient equipment

CC-BCA-Resilient assets (non-RP) requirement

CC-BCA-Low-carbon fuels

CC-BCA-Leases

CC-Chemicals and GHGs (sustainable plastics, other chemicals? LCA?)

Waste-Disclosure info for waste contracts

Waste-Plastics - Waste in packaging

Waste-Plastics - PPEs

CC/Waste-BCA-IT (Hardware/prof services/software/telecom/cloud)

National and shared procurement instruments

Mandatory goods and services categories in Standing Offers (SO) and Supply Arrangements (SA):

Civilian Audio-Visual Equipment



Minimize packaging waste
Waste is reused or recycled
Extended producer responsibility programs

Clothing and Textiles



Reuse garments to avoid new purchase
Shredded material is reused by other manufacturers as raw material

Fuels and Lubricants



Contains Bio-diesel, ethanol, low sulphur and alternative fuel options to reduce CO₂ emissions

Office Equipment



ENERGY STAR qualification
Compatibility with remanufactured toner cartridges
Hardware take back at end of life

Office Furniture



Certified sustainably managed forests wood
All plastic components must be recyclable

Office Supplies



Paper from certified sustainably managed forests and recycled content
Minimize waste/bulk packaging
Recycled material in packaging

Professional Services



Use of video and teleconferencing where possible to minimize travel

Vehicles



Supplier is ISO 14001 certified Fuel consumption and GHG emission calculation included in financial evaluation

40% of 7000 SOSA's have environmental criteria

Implementing Green Procurement Policy

- Review commodities and identify which one would have the biggest environmental (biggest value, highest environmental impact). Focus on major procurements before smaller ones.
- Use a procurement tool (such as standing offer or supply arrangement) with a green procurement if available.
- Conduct research to determine if any environmental standard can be applied to the procurement
- Use environmental standards or criteria in the solicitation process.
- Document the process with lessons learned so it can be replicated.
- Champion Green Procurement within your organization.

Resources

- [Green Procurement Gcpedia](#) – guidance and resources
- [SOSA App](#)
- [Policy on Green Procurement](#)
- [Greening Government Strategy](#)
- [Ecolabel index](#)

Annex slides

Partners for green procurement



KEY ROLES FOR EXPERTS

Procurement Expertise	Environmental Expertise
STEP 1 – develop requirement / criteria	
Mine federal procurement data and engage with procurement community to identify scope of application, engage with market to assess market readiness	Identify environmental impacts, relevant standards, certifications and ecolabels and/or required new technical specifications
STEP 2 – implementation plan	
Develop implementation plan considering market readiness and continuous improvement	Develop technical specifications
STEP 3 – deployment and maintenance	
Deploy instructions to buyers and maintain currency	Deploy technical specification and maintain currency

GoC green procurement along the procurement life cycle

Existing | under development or consideration

2021-2024 – circular economy analysis:
explore applying policy levers to asset
portfolios, not just procurements, e.g.:

- TCO / LCC
- Carbon budget
- Shadow prices

Investment planning

Portfolio-wide strategic planning

Procurement planning

Apply requirements and
criteria

Contract management

- Compliance
- Reporting

End of contract

- End of life logistics
- Compliance, reporting

**Target
Net zero
by 2050**

Commitments

E.g.

- Net zero buildings, leases
- 100% clean electricity
- 100% ZEV land fleet
- LCC for new buildings
- LCA for key construction materials
- WbLCA for construction and infrastructure
- Incent major suppliers to set targets and disclose

Strategic procurements & initiatives

E.g.

- Clean electricity buy
- Supply arrangement for ESCOs
- Supply arrangement for environmental services
- ISED clean tech challenges
- Buyers for climate action: join with other leading green buyers to forecast demand and accelerate clean tech procurement

2020 – implementation & reporting:

- KPIs
- LCA - rules for comparison
- Tools – platforms, portals, databases
- Engagement plan

Requirements, criteria, guidance

E.g.

- Green SO/SAs
- Low carbon concrete (75%)
- Incent science-based targets and disclose emissions in high value contracts (75%)
- Carbon offsets (50%)
- PPE (HC leading)
- Three-step process to benchmarks for embodied carbon in HICATs - NEW

Reporting KPIs

E.g.

- % criteria applied
- % mandatory requirements applied
- \$\$ spent on clean tech
- Ultimately % Scope 3 emissions (+ other impacts) reduced

Current Greening Criteria used by Shared Services Canada (SSC)

SSC currently employs Green criteria in a number of categories, with aims to consistently expand

Microcomputers National Master Standing Offer

- EPEAT – Run by the non-profit Green Electronics Council [GEC], EPEAT is a global IT ecolabel
- Minimum Gold certification introduced in 2020
 - ~300,000 EPEAT certified units purchased in 2019

Data Centre Consolidation

- Replacing Legacy Data Centres with modern LEED [Leadership in Energy and Environmental Design] certified locations – minimum LEED Silver
 - Closed over 300 Legacy locations, replaced with EDC's [Enterprise Data Center] – 90% renewable energy
 - EDC Barrie – LEED Gold
 - EDC Gatineau – LEED Gold
 - EDC Borden – LEED Silver

Workplace Technology Device Print

- Printer NMSO – Hardware must be EnergyStar certified, as well as one of :
 - EcoLogo, EPEAT, Green Seal, Blue Angel, EU Ecolabel, or comparable.

Plans for Environmental Data Capture from Vendors

Vendor Data Requirements

- NOW: Beginning to design language around data disclosure to be included in solicitations
- MID-TERM: Making disclosure a rated requirement in solicitations
- LONG-TERM: Making disclosure, environmental certifications, and environmental responsibility benchmarking mandatory requirements for most categories

18

Shared Service Canada Sustainable Development Strategy Commitments Related to IT Procurement

SSC's 2021-22 DSDS includes commitments that will inform future criteria

Environmental Procurement Threshold

- SSC will further integrate environmental requirements in its decision-making processes and governance structures through a phased adoption of mandatory environmental considerations in procurement vehicles and enterprise procurements.
 - Threshold to be determined; \$25, \$50 million, etc.
-

Environmental Studies

- Though environmental assessment studies of its procurements, SSC will identify and measure the environmental costs of its services and operations, focused on emissions, water use, and clean energy.
-

Climate Resilience

- SSC is committed to planning for climate change by incorporating climate resilient attributes into solicitations for enterprise data centers, serving the federal government.
-

Ecolabels

- SSC will require globally recognized ecolabels in its procurements, such as the Green Electronic Council's flagship Electronic Product Environmental Assessment Tool (EPEAT).
-

Clean Electricity

- SSC will use clean electricity in the data centers it owns, including by working with Public Services and Procurement Canada to purchase renewable energy certificates to compensate for the high-carbon portion of the electricity grid.

Examples of Existing Green Procurement Requirements



✓ Office Furniture

- **Sustainable Wood:** All wood used in the manufacture of products offered must originate from a certified sustainably managed forest
- **Packaging and Distribution:** Corrugated containers used must contain at least 80% recycled content; Blanket wrapping must be used for short distances of 100 km or less
- **Chemical Management Plan (CMP):** All products offered must come from a Manufacturer who has a Chemical Management Plan



✓ Office Supplies

- **Office Paper:** paper manufacturer must meet or exceed requirements based on the UL 2771 (formerly known as EcoLogo™ Standard CCD-077). Such as:
 - lower emissions
 - lower wastewater discharge
 - the use of recycled content
 - lower solid waste volumes
 - the application of best forestry and habitat conservation practices