

IMPACT STATEMENT

Legislation title: Update the City of Portland Sustainable Procurement Policy (Resolution)

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Purpose of proposed legislation and background information:

This proposed resolution will update the City's Sustainable Procurement Policy. The City's Sustainable Procurement Policy was established by City Council in 2008 and last updated in 2010. Sustainable procurement best practices and guidance have evolved significantly over the past eight years. This Policy update:

- Responds to internal stakeholder feedback requesting a comprehensive update to the City's Sustainable Procurement Policy;
- Aligns with ISO 20400:2017, the international standard on Sustainable Procurement Guidance; and
- Re-establishes the City's Sustainable Procurement Policy as a model for leadership in municipal sustainable procurement.

Financial and budgetary impacts:

Financial and budgetary impacts of implementing the update to the Sustainable Procurement Policy will vary depending on the product or service being procured. The Policy update highlights the City's responsibility to understand the full costs of City purchasing decisions, including hidden social and environmental costs not included in upfront pricing of goods and services. Doing so may increase, decrease, or redistribute costs. A few examples:

- Purchasing FSC certified wood will likely mean a price premium of 5-10%. Yet as demand for FSC certified wood increases, costs may decrease. Also, there are tangible benefits to FSC certified wood, such as watershed health, biodiversity, and toxin reduction. The Policy proposes a pilot project to fully understand cost and availability impacts of purchasing FSC certified wood.
- Investing in products or technologies that reduce waste, energy, or water consumption may produce net savings to the City.
- Purchasing less-toxic goods or services may (or may not) involve a higher upfront product price, but saves money in terms of improved worker productivity, reduced sick days, reduced regulatory paperwork or disposal costs, or improved community relations.

The Policy directs the Sustainable Procurement Program to provide Policy implementation resources that include guidance on life cycle costing as applicable tools and data become available for various goods, services, and technologies.

Community impacts and community involvement:

Sustainable Procurement strives to reduce adverse social and environmental impacts by understanding the impacts associated with its purchasing decisions and leveraging the

City's market influence for positive change and livability. The Policy also stresses transparency, accountability, integrity, diversity, and equity; all principles that benefit our community.

A draft of the Policy update was posted on the Procurement Services website for two weeks along with an online survey to collect feedback. External stakeholders associated with the historical policies being consolidated within this update, as well as other organizations who previously expressed interest in the City's sustainable procurement practices, were notified directly via email about the Policy update and encouraged to provide feedback. The Sustainable Procurement Program also held a few in-person meetings and phone calls with external stakeholders as questions materialized. In response to external stakeholder feedback, various edits were made to the Policy update. A document summarizing all the feedback received, and the Program's response, was posted on the Procurement Services website, and stakeholders were notified via email of the posting.

Groups that may be testifying before Council regarding this Policy update:

- Sustainable Northwest
- Oregon Coalition for Humanity
- SEIU 49
- Oregon Environmental Council

100% Renewable Goal:

The Policy update includes best practices that support energy conservation and renewable energy purchases/investments.

Budgetary Impact Worksheet

Does this action change appropriations?

- YES:** Please complete the information below.
 NO: Skip this section

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount

Item 880: Sustainable Procurement Policy AUG 22 2018**EUDALY AMENDMENTS**

I would like to introduce a couple amendments that were drafted in collaboration with Commissioner Fish:

Amendment #1: Add language after the last WHEREAS that states: "WHEREAS, part of taking responsibility for the full life cycle of impacts and costs of goods and services should include the labor practices of companies that require subcontracting of employees to provide a service the city procures.

Amendment #2: Add language after the first NOW, THEREFORE, BE IT RESOLVED that states: BE IT FURTHER RESOLVED, that the Office of Management and Finance is directed to work with stakeholders groups, including but not limited to, union labor representatives, community member organization representatives, and contracting trade associations to provide recommendations to this policy for contracted services that address corporate responsibility disclosures, scoring for equity and economic sustainability, best practices in labor relations, and accountability, compliance and monitoring. These policy recommendations will come back to City Council no later than 90 days from the passage of this resolution.