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November 27, 2006

To: Board of Governors of Exhibition Place

From: Dianne Young  
General Manager & CEO

Subject: **Environmentally Favourable Procurement Policy**

Purpose:

This report recommends the approval of an "Environmentally Favourable Procurement Policy" to be included in all formal competitive calls for the Board.

Financial Implications and Impact Statement:

The financial implications resulting from the adoption of this report may include a possible increase by up to 15% in the cost of some goods and services

Recommendations:

**It is recommended that the Board approve of the Environmentally Favourable Procurement Policy attached as Appendix "A".**

Background:

At its meeting of June 2004, the Board adopted an Environmental Plan, part of which called for the integration of sustainable principals in procurement and capital works policies if there are economic and competitive "green" products available.

Comments:

In order to support the 2004 Environmental Plan, staff have developed an evaluation mechanism to take into consideration bids from bidders who offer confirmed environmentally favourable products or services. Pursuant to the proposed Procurement Clause, staff will continue to actively include wherever possible specifications in competitive calls for environmentally preferred products or services. However, in absence of these specifications, the Board will also seek from bidders information about any positive environmental benefits of their products or services (over and above any of the Board's specifications) which must be verified to the satisfaction of the Board. The Board may, at its option, choose to accept an otherwise qualified bid including Environmentally Preferred products or services with "positive environmental

benefits” which is not the lowest bid, provided that the cost is no greater than 15% more than the lowest qualified bid.

This proposed Board policy is similar to an existing policy at the Toronto Zoo where the financial by-law has provisions to pay up to 10% more for environmentally beneficial products and services, in instances where no environmentally favourable specification exists.

The proposed policy is more proactive than the City of Toronto’s Environmentally Responsible Procurement Policy, which only encourages bidders to offer products or services which are environmentally preferred and retains the general requirement to award to the lowest bid meeting specifications regardless of environmental benefit.

City Legal has reviewed the wording of the proposed policy and its recommendations are included in the policy attached. It would also be the intent of staff to report to the Board on an annual basis, all contracts which were awarded pursuant to the Environmentally Favourable Procurement Policy and the premium paid by the Board. In addition, for purchases requiring Board approval in accordance with the Financial By-law, staff will highlight whether or not the Policy has been applied.

Conclusion:

This report recommends the adoption by the Board of the “Environmentally Favourable Procurement Policy” and its inclusion in all formal competitive calls which is in keeping with the 2004 Environmental Plan of the Board.

Contact:

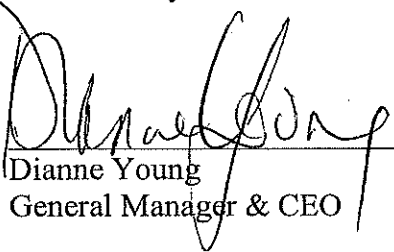
Gerd Rose, Purchasing Manager

Tel: 416-263-3628

Fax: 416-263-3690

Email: [grose@explace.on.ca](mailto:grose@explace.on.ca)

Submitted by:



Dianne Young  
General Manager & CEO

## Appendix A

ENVIRONMENTAL FAVOURABLE PROCUREMENT POLICY

The Board of Governors of Exhibition Place encourages bidders to offer products and services which are Environmentally Preferred. Environmentally Preferred products and services are those such as durable products, reusable products, energy efficient products, low pollution products and services, products (including those used in services) containing maximum levels of post-consumer waste and or recyclable content, and products which provide minimal impact to the environment.

An Environmentally Preferred product or service is one that is less harmful to the environment than the next best alternative with characteristics including, but not limited to, the following:

1. Reduce waste and make efficient use of resources: A product or service that is more energy, fuel, or water efficient, or that uses fewer resources.
2. Are reusable or contain reusable parts: Examples of this would be products which are rechargeable batteries, reusable building partitions, and laser printers with refillable toner cartridges.
3. Are recyclable: A product that can be recycled at the end of its useful life by local facilities exist capable of recycling the product.
4. Contain recycled materials: A product that contains post-consumer recycled content.
5. Produce fewer polluting by-products and/or safety hazards during manufacture, use or disposal: A product that is non-hazardous or replaces a hazardous product.
6. Have a long service-life and/or can be economically and effectively repaired or upgraded.

Environmentally Preferred products and services offered must be competitive in cost as defined in this policy, conform to specifications, performance requirements and, be suitable for the intended application, as determined by the Board.

In order to meet the expectations set by the *Board's Environmental Plan*, the Board reserves the right not to award to the lowest bidder, and in particular may, at its option, choose to accept an otherwise qualified bid which includes Environmentally Preferred products and services with environmental benefits (outside of any specifications), that can be substantiated and verified to the satisfaction of the Board, provided that the bid price does not exceed the lowest qualified bid by greater than 15% of the lowest qualified bid price.

## EVALUATION PROCESS

Bidders shall if requested, provide written verification of any environmental claims made in their bid/proposal satisfactory to the Board's Environmental Benefit Review Committee (Procurements) EBRC-P within five(5) working days of request, at no cost to Board.

Verification may include, but not be limited to, certification to recognized environmental programs, independent laboratory tests or manufacturer's certified tests.

Submissions in response to environmental claims will be evaluated by the EBRC-P composed of one management member from each of Cleaning Services, Operations, Purchasing and Finance, as well as the end user. Other staff with relevant experience and external advisors may be called upon to assist the EBRC-P with its review.

Aside from providing written verification of any environmental claims, bidders may also be called for an interview with the EBRC-P to answer questions and make presentation.

Environmental claims will be evaluated by the EBRC-P on the basis the criteria set forth in the Board's *Environmental Favourable Procurement Clause*, all of which may be subject to a weighting if more than one bidder is under consideration.

The following is intended to set out an overview of the evaluation criteria that may be applied by the EBRC-P in its review of environmental claims made.

Evaluation Criteria
Reduces waste and makes more efficient use of resources
Reusable or contains reusable parts.
Recyclable.
Contains recycled materials
Produces fewer polluting by-products
Longer service-life

The evaluation results are the property of the Board. The Board intends not to disclose results, under any circumstances either before, during, or after the evaluation process. By responding to this RFQ, bidders agree to accept the recommendations of the EBRC-P as final and binding.