**CITY OF CHARLOTTE**

**ENVIRONMENTAL PREFERABLE**

**PURCHASING**

**REPORT**

****

**Provided by**

**Business Support Services**

**Procurement Services Division**

**July 30, 2010**

**INTRODUCTION**

The City of Charlotte is a very large consumer of goods and services and the purchasing decisions of our employees and vendors can positively or negatively affect the environment. Every single purchase has human health and environmental impacts because of the way products are manufactured, used, and ultimately recycled or discarded. Recognizing these impacts, BSS/Procurement Services Division (PSD) has taken a leadership role in support of the City’s commitment to promote environmental best practices and protect our natural resources as outlined in the City’s Strategic Focus Area Plan for the Environment.

Last year, the Environmental Preferable Purchasing Baseline Report dated August 15, 2009 provided the green spend data on products identified by PSD to use as a benchmark. This report provides a summary of the spend data on these identified products for FY2010 and measures the trend changes from the 2009 baseline report.

By establishing specifications and environmentally preferred attributes for identified products, PSD can assist in the selection of products that have a reduced effect on human health and the environment when compared with competing products or services that serve the same purpose without compromising overall budgetary or performance requirements.

**ENVIRONMENTALLY PREFERRED PURCHASING POLICY**

BSS/Procurement Services Division has developed the first ever Environmentally Preferred Purchasing Policy that is currently in review by the Environmental Cabinet. By including environmental considerations in procurement decisions, along with traditional concerns with price, performance and availability, the City will remain fiscally responsible while promoting practices that improve public health and safety, reduce pollution, and conserve natural resources. The purpose of this document is to establish the framework for a sustainability-based purchasing program for the City of Charlotte and reflects a long-term commitment to the purchase of environmentally preferable products.

By implementing a policy that encourages and promotes the purchase of environmentally friendly products whose quality, function, and cost are equal or superior to more traditional products, the City can educate City employees and vendors on the rewards of conserving natural resources, minimizing pollution, supporting strong recycling markets, and eliminating or reducing health hazards to workers and the community.

The City of Charlotte will take a proactive leadership role in modeling best practices for its citizens. The City will evaluate environmental conditions and opportunities in order to determine what approach is best for our community’s optimal environmental sustainability. By always being conscious of the need to meet regulatory compliance standards and the needs of future generations, the City will avoid costly remedial action.

**BENCHMARKED PRODUCTS**

In FY2010, the City of Charlotte spent a total of $2,180,310 with six (6) vendors. The decrease in spend from FY2009 in the amount of $201,351,000 is attributed to budget reductions. Of this total, $592,045 worth of environmentally preferable products were purchased, which represents 27% of the combined total benchmarked products. Although the 27% remains the same as FY2009, there are substantial increases in the use of remanufactured toner and ink cartridges and cleaning supplies as noted in the chart below. Graphs and additional information for each category are included on the following pages.

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| --- | --- | --- | --- | --- | --- | --- |
| **Product/Service** | **Total Products Purchased** **(Quantity)** | **Total Dollar Amount** | **Quantity Containing Environmental Preferable Attributes** | **Dollar Amount Spent on****“Green Purchases”** | **Percentage of Total “Green” Purchase for FY10** | **Percentage Increase or Decrease from FY09** |
| Toner/Ink Cartridges | 2598 | $157,688 | 1323 | $80,439 | 51% based on qty | 26% |
| Office Supplies | 51,936 various items | $552,970 | 15,863 items | $172,153 | 30.5% \*\*based on $ amt | (2.5%) |
| Copy Paper purchased through Office Depot | 2,259 cases | $35,344 | 411 cases | $4,944 | 18% based on qty | (2.5%) |
| Maintenance, Repair & Operating (MRO) Supplies  | 5321 various items | $659,101 | 15 items | $22,297 | 3% \*\*based on $ amt | (2%) |
| Furniture (office, modular, conference) | 408 | $636,539 | Some components or materials of all items | $254,615 | 40% \*\*based on $ amt | 5% |
| Cleaning Supplies (Cleansers, degreasers, other chemicals) | 189 | $138,668 | 62 | $57,597 | 41.54% \*\*based on $ amt | 7.5% |

\*\*Note: Percentage calculated on dollar amount versus quantity due to number of different items within category.

Originally, ten (10) items were identified including carpet and motor oils, and twenty (20) vendors agreed to provide the required data. However, several vendors did not provide data as promised, and/or the environmental attributes of some products were not easy to identify or report.

**Printer/Toner Cartridges**

Key Business Units (KBU) purchase toner cartridges for individual desktop printers of all sizes, brands, as well as color and black & white (other than IKON multi-function machines). Print cartridges are often thrown away once the toner inside is used up. Cartridges contain many components that are in great condition at the end of the expected life of the cartridge. The practice of re-manufacturing cartridges involves disassembling the unit, inspecting and cleaning components, and replacing or refurbishing the unit’s organic photoreceptor cell and replacing the supply of toner.

BSS/Procurement Services has solicited citywide contracts for providing both Original Equipment Manufacturer (OEM) and remanufactured cartridges. The contracts with SunBelt Office Supplies and Office Depot allow all KBU to order the cartridge of their choice.

Early on, it was a general belief that remanufactured cartridges produced poor print quality or caused printer equipment problems. Therefore very few remanufactured cartridges were ever purchased. However, today’s technology has drastically improved the quality of the remanufactured cartridges and the purchase of these cartridges increased from 25% to 49% during FY10.

The average costs of remanufactured cartridges are 40% - 60% less than OEM cartridges, which results in a significant savings annually. In addition, the City’s contracts provide free pick-up of all empty cartridges for recycling or remanufacturing purposes and keeps the toxic inks out of the landfills.

**Office Supplies**

The City currently purchases office supplies from Office Depot, which includes everything from pencils/pens, post-it notes, binders, and legal pads, to white boards, paper punches and file cabinets. There are over 13,000 items available in their catalog, which makes it very difficult to itemize, or even summarize the various environmental attributes available as “green” office supplies. Office supplies manufacturers are increasingly offering a wide range of products made from recycled material, or the materials may be recyclable. Some items may be refilled, instead of purchasing new ones (ink pens), while other items may be non-toxic or biodegradable.

Office Depot identifies any available “green” alternatives for many products by including a recycled symbol next to the item descriptions in their catalogs (hard copy and on-line). City employees always have the option to view these alternatives and make individual decisions regarding their actual product selection.

Office Depot has also developed a report which shows a comparison of certain products bought and comparable green products that are actually less expensive. When the Environmental Perferred Purchasing Policy is finalized and adopted, this will be valuable information to share with KBU as they implement new purchasing habits and decisions.

PSD continues to work with Office Depot to enhance environmentally prefereable product offerings, and has began to post messages regarding environmetal purchasing initiatives and available products on the Office Depot customized website that all City employees see when they access the site.

**Copy Paper**

The copy paper data included above represents the KBU purchases for divisional and individual desktop printers and fax machines and does not include the IKON multi-function machines or print shop.

During FY10, IKON reported an average of 70% of all Print Shop jobs, and 81% of all copies made on the Multi-Function machines throughout the City was provided on 30% post-consumer recycled paper. Some Print Shop jobs such as maps, presentations, and glossy prints require virgin paper, and certain Multi-Function machines did not produce quality print with the recycled paper. The City’s new Contract which replaced all Multi-Function Machines and Print Devices with new Ricoh Brand models designed to match department needs with the most appropriate devices will allow 30% post-consumer recycled paper usage, 100% of the time.

In addition, the City has implemented a GlobalScan scanning solution on approximately 50 devices citywide which will facilitate a robust scanning and document management process that will provide for cost savings and environmental efficiencies by providing electronic document capabilities. FY2011 initiatives include the implementation of print job management and multi-level reporting solution.

**Maintenance, Repair, and Operating (MRO) Supplies**

This category includes literally thousands of various items such as hand tools (wrenches and screwdrivers), tool boxes, casters, hardware, and batteries. Although some items may contain recycled materials, or conserve water or energy, this industry has not established environmental standards or attributes for many MRO items.

The data included in this report was provided by Grainger. While the City has a contract with Grainger, KBU purchase MRO Supplies from Home Depot and numerous other sources, which also hinders the ability to effectively capture the City’s spend data for this category. However, Grainger provides many materials that meet LEED certification standards and is willing to align specific internal and external suppliers to meet any future “green” mandates the City may implement.

**Office Furniture**

Office furniture and panel systems are made with a variety of materials including gypsum board, metal, wood, plastic and fabric. As a result of the different materials that may be used in manufacture, various environmental issues must be taken into account. Materials used in office furniture may emit VOCs when installed, immediately impacting indoor air quality. Waste generated from the manufacture and disposal of these products can be minimized through reuse, remanufacture and recycling.

Although the City purchases numerous brands of furniture from various sources, many KBU have begun to standardize offices by purchasing Knoll furniture, and contributed to more than 60% of all identified furniture purchases during FY10.

Knoll is a major furniture manufacturer and the first to earn Forest Stewardship Council (FSC) certification and is a leader in the industry supporting sustainable practices. In addition, 100% of their furniture is certified by GREENGUARD®, an ANSI authorized standards developer that establishes acceptable indoor air standards for indoor products.

**Janitorial Cleaning Products**

The primary function of industrial and commercial cleaners is for facility and machinery cleaning. The selection of a cleaner is influenced primarily by the nature of the surface to be cleaned, the nature of the soiling, and the degree of cleanliness required. The major ingredients in cleaners are surfactants, builders, solvents, scouring abrasives, and alkalis and many may be toxic. End of life management is essential. Products may be a burden on the environment in terms of wastewater loading and treatment, emissions of VOCs and resource consumption.

The majority of cleaners used within City facilities are provided by the contracted cleaning service providers. The data included in this report was provided by Zep Manufacturing and represents the items purchased by various KBU including vehicle wash, hand soap, degreaser, insect repellant, and mops.

**ADDITIONAL PRODUCTS OF INTEREST**

**Hybrid Vehicles**

The City’s current fleet includes 38 hybrid vehicles as follows:

* 3 Toyota Prius compact sedans
* 12 Honda Civic compact sedans
* 22 Ford Escape SUVs
* 1 Chevrolet Malibu sedan

Hybrid vehicles continue to cost 35% to 60% more than gasoline vehicles, which makes a return on the additional investment very difficult to realize. There may be long-term savings in fuel and maintenance costs, but the use of hybrids in the City’s fleet is still new enough that the City’s operational life cycle costs are yet to be determined. The City’s current budget situation also impacts the ability to incorporate more hybrid vehicles into the fleet. Staff will continue to evaluate the benefits and costs of hybrid technology for future vehicle purchases.

**ALTERNATIVE FUEL VEHICLES/VEHICLES WITH EMISSIONS REDUCING TECHNOLOGY**

With the exception of CATS fixed bus route fleet and Aviation’s fleet vehicles, the remainder of the City’s current fleet also includes 638 alternative fuel vehicles or vehicles that are outfitted with emissions reducing technology. City departments continue to look for opportunities to safeguard the environment by promoting the use of environmentally friendly fleet vehicles and technologies.

**CHALLENGES**

A number of factors challenge efforts to increase environmental purchasing including but not limited to the following considerations:

* The City has not established targeted increases in environmental purchasing and Key Business Units continue to make individual green spending decisions.
* Employees are often not familiar with the use of many environmentally preferable products and are uncertain of the ways in which they might be effectively specified and applied in place of familiar products.
* The use of environmentally preferable products must be effective and fiscally responsible.
* Current deficiencies in the financial system and associated procurement module prohibit the ability to retrieve spend data. The City must rely on vendors to provide actual usage and environmental attribute data for their products.
* Developers of environmentally preferable products are often in the early stages of identifying the needs of potential customers.
* The lack of cost/benefits analysis and data to support green products as both operationally and financially viable will continue to be a challenge for increasing and expanding green procurement within City departments.
* The lack of consensus based standards for many product categories requires the City to define their own criteria for “green” attributes, such as recycled content, energy or water conservation, and toxicity.

**ENVIRONMENTAL PURCHASING OPPORTUNITIES**

The following initiatives have been implemented to support the ongoing challenge of incorporating environmental initiatives into purchasing decisions here at the City:

* Developing a Purchasing Guide for Environmental Preferable Products as a reference guide to assist employees when making purchasing decisions that are better for their employees and our environment;
* Sponsoring “Green” vendor forums for environmental product education, demonstration and marketing opportunities;
* Maintaining liaisons between KBU and the Environmental Purchasing Coordinators Team to facilitate education, contracting opportunities, and data collection; and
* Helping suppliers understand the City of Charlotte’s procurement process and environmental initiatives to further define and obtain accurate environmental product attributes and spend data.

Additionally, FY2011 initiatives include:

* Development of an Environmentally Preferred Purchasing Policy to establish the framework for a sustainability-based purchasing program for the City;
* Increased promotion of the purchase of environmentally friendly products whose quality, function, and cost are equal or superior to more traditional products; and
* The use of funding and interns as provided for through the Student Energy Internship and Fellowship Program to assist with the development and implementation of the Environmental Purchasing Policy, the implementation of environmental reporting initiatives through the design and implementation of a data collection system for tracking environmental attributes of products and evaluation of vendor reports, and working with vendors in the design, development, implementation, and marketing of Environmental Purchasing Pick Lists for On-line Ordering Catalogs.

