

## Environmentally Responsible Procurement Update

**Date:** September 5, 2025  
**To:** General Government Committee  
**From:** Chief Procurement Officer  
**Wards:** All

### SUMMARY

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This report provides an update on Purchasing and Materials Management Division's (Purchasing and Materials Management) ongoing work towards aligning the City's procurement policies with the TransformTO Net Zero Strategy. This is in response to City Council's direction in [2024.GG12.18](#) for the Chief Procurement Officer to provide an update on this work in Q1 2025. To advance key environmentally responsible procurement projects, this report was postponed to Q3 2025.

Purchasing and Materials Management is engaged in multiple activities aimed to establish a foundation for environmentally responsible procurement activities and policy development. This report outlines current work and next steps towards expanding climate-friendly and resource-efficient procurement practices.

Current environmentally responsible procurement work can be broadly grouped into three categories:

1. Governance and accountability, which is focused on:
  - Clearly defining roles and responsibilities for City Divisions in environmentally responsible procurement.
  - Establishing an internal Environmentally Responsible Procurement Governance Table that is focused on identifying best practices and developing environmentally responsible procurement policies, resources, and strategies using an interdivisional approach.
  - Updating the Environmentally Responsible Procurement Policy.
  - Determining a Scope 3, Category 1 (supply chain) greenhouse gas emissions baseline for the City of Toronto.
  
2. Supplier management, which includes:
  - Exploring options to encourage suppliers to measure and disclose their greenhouse gas emissions and set science-based reduction targets.

- Conducting a review of the Supplier Code of Conduct to include environmental sustainability requirements.

3. Procurement process updates, which will include:

- Developing tools and resources to support the implementation of environmentally sustainable specifications and centralizing existing specifications, tools and resources.
- Applying circular principles to the disposal of surplus items.
- Developing an Innovative Procurement Program stream that would clarify pathways for procuring clean and green technology and help businesses in this category navigate City programs based on their level of innovation.

Planned actions in the next 6 to 12 months for Purchasing and Materials Management's work on environmentally responsible procurement will include:

- Continued engagement with Divisions to collect updated information on the current state of environmental specifications, evaluation criteria and completed procurements with environmental sustainability considerations.
- Developing a platform to hold environmentally sustainable specifications and evaluation criteria that would serve as a reference to Divisions when developing solicitations.
- Implementing enhancements in the procurement planning process to assess planned solicitations.
- Conducting preliminary supplier engagement on third-party certifications for environmentally sustainable goods or services.
- Conducting divisional and market engagement to understand potential challenges with supplier greenhouse gas emissions disclosure requirements and identify solutions.
- Exploring how environmentally responsible procurement can increase the City's spend with Indigenous, Black, and Diverse Suppliers and Social Enterprises in support of the First Nations, Inuit and Métis Procurement Policy and the Social Procurement Policy.

## **RECOMMENDATIONS**

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The Chief Procurement Officer recommends that:

1. General Government Committee receive this report for information.

## **FINANCIAL IMPACT**

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There are no financial implications arising from this report.

As part of any environmentally responsible procurement initiatives, staff will continue to apply a best value lens by balancing costs, operational requirements and advancement of environmentally responsible outcomes. Many environmentally responsible procurement initiatives have the potential to be cost neutral. In addition, revenue generation opportunities may arise related to innovative clean and green technology. Any financial impacts arising from ongoing work will be reviewed against approved Operating and Capital Budgets and reported on accordingly.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the information presented in the Financial Impact Section.

## **DECISION HISTORY**

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At its meeting on May 22 and 23, 2024, City Council adopted [GG12.18 - Procurement Policy Updates Resulting from Amendments to Toronto Municipal Code, Chapter 195, Procurement](#), which provided an update pursuant to GG8.21 and directed the Chief Procurement Officer to report back in the first quarter of 2025 with an update on the alignment of the City's procurement policies with TransformTO.

At its meeting on December 13, 14, and 15, 2023, City Council adopted [GG8.21 - Amendments to Toronto Municipal Code, Chapter 195, Purchasing, and Review of Open Contracting Global Principles and the Role of an Inspector General](#), which directed the Chief Procurement Officer to report back to City Council on any updates to Council-approved policies that are required to make the City's procurement policies consistent with TransformTO.

At its meeting on December 15, 16, and 17, 2021, City Council adopted [IE26.16 - TransformTO - Critical Steps for Net Zero by 2040](#), which outlined a pathway to achieve net zero emissions community-wide by 2040, including actions related to the procurement process, in the [TransformTO Net Zero Strategy](#).

At its meeting on November 18, 2019, the General Government and Licensing Committee adopted [GL9.10 - Update on the Circular Procurement Implementation Plan and Framework](#), which provided an update on the status of the Circular Procurement Implementation Plan and Framework.

At its meeting on June 5, 2018, the Government Management Committee adopted [GM28.29 - Implementation Plan and Framework for Integrating Circular Economy Approaches into City Procurement Process to Support Waste Reduction and Diversion](#), which provided information on the Circular Economy Procurement Implementation Plan and Framework. The Framework outlines how circular economy principles will be applied to the City of Toronto's purchasing processes to drive waste reduction, economic growth and social prosperity, and support making the City of Toronto the first city in the province with a circular economy.

At its meeting on November 13, 2017, the Government Management Committee adopted [GM23.24 - Meeting the City of Toronto's Environmental and Circular Economic Commitments through Procurement](#), which requested the City Manager to report to the

Government Management Committee on June 5, 2018 with a strategy for City procurement to drive waste diversion through the circular economy.

On November 2, 2009, Executive Committee received [EX36.18 - Review of the City's Environmentally Responsible Procurement Practices](#) for information. The report noted that while the policy led to changes in some of the City's procurement practices, for example by requiring commonly purchased products to meet third-party environmental standards, there were still opportunities to enhance implementation. The report found that key actions would include revising the procurement training program for City staff; developing websites and other tools to improve access to information; and making changes to operating procedures and work directions.

At its meeting of October 26 and 27, 1999, City Council adopted the [Environmentally Responsible Procurement Policy](#), which aimed to ensure that wherever possible in the acquisition of goods and services, specifications are amended to provide for the expanded use of environmentally preferred products and services.

## COMMENTS

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This report provides an update on Purchasing and Materials Management's (the Purchasing and Materials Management Division) ongoing work towards aligning the City's procurement policies with the TransformTO Net Zero Strategy. This is in response to City Council's direction in [2024.GG12.18](#) for the Chief Procurement Officer to provide an update on this work in Q1 2025. To advance key environmentally responsible procurement projects, this report was postponed to Q3 2025.

Purchasing and Materials Management is engaged in multiple activities aimed to establish a foundation for environmentally responsible procurement activities and policy development. This report outlines current work and next steps towards expanding climate-friendly and resource-efficient procurement practices.

## THE CITY'S ENVIRONMENTALLY RESPONSIBLE PROCUREMENT POLICY

The [Environmentally Responsible Procurement Policy](#) was developed through a series of workshops held by the City's Environmental Task Force in September 1998. Full background on the development and application of the Environmentally Responsible Procurement Policy is available in Attachment 1 to this report. The Policy has remained effective over this time and aims "to increase the development, awareness, and purchase of environmentally preferred products and services." The policy specifies increased use of environmentally preferred products through ensuring that, wherever possible, specifications are amended to promote their expanded use. The policy defines an environmentally preferred product as being "less harmful to the environment than the next best alternative" and having characteristics which include:

- Reducing waste and efficient use of resources
- Being reusable or containing reusable parts
- Being recyclable

- Containing recycled materials
- Producing fewer polluting by-products and/or safety hazards during manufacture, use and disposal
- Having a long service-life and/or can be economically and effectively repaired or upgraded

The procedure outlines that suppliers should be made aware of the Environmentally Responsible Procurement Policy in all solicitations that are issued by Purchasing and Materials Management. In addition, the procedure notes that the policy should be applied in the evaluation of all bids to determine the successful supplier.

Currently, considerations related to the Environmentally Responsible Procurement Policy are embedded in solicitation templates and procurement procedures. The City's guides for Purchasing and Materials Management staff and other City Divisions on drafting solicitation documents note that, if applicable when developing the scope of work, environmental criteria should be considered. It further notes that specifications must be developed, where possible, for the expanded use of environmentally preferred products and services. Guidance is available for drafting specifications as well as third-party certifications, which can be used to identify environmentally preferred products (e.g. Ecologo, Energy Star, Forest Stewardship Council).

In the City's solicitation documents, suppliers are asked to acknowledge that the procurement process will be governed by the City's policies and legislation, including the Environmentally Responsible Procurement Policy. In addition, suppliers are asked to attest to having read the City's Environmentally Responsible Procurement Policy, to indicate whether they are offering environmentally preferred products/services, and, if applicable, to describe and confirm the environmental benefit of the product/service.

With the support of the Environmentally Responsible Procurement Governance Table, Purchasing and Materials Management is reviewing which elements of the Environmentally Responsible Procurement Policy are still relevant and current.

## **DETERMINING THE SCOPE OF ENVIRONMENTALLY RESPONSIBLE PROCUREMENT**

As Purchasing and Materials Management begins to develop policies, programming and resources to support environmentally responsible procurement, a key step will be determining priorities for what is in scope. Many jurisdictions have developed procurement policies and programs that incorporate environmentally responsible procurement and can inform Purchasing and Materials Management's approach to determining a scope for Toronto, in consultation with Environment, Climate and Forestry Division (Environment, Climate and Forestry) and other City Divisions.

Some governments incorporate environmentally responsible procurement under a broad mandate for sustainable or responsible procurement, which also includes Indigenous, social and ethical procurement considerations. For example:

- The [City of Winnipeg's Sustainable Procurement Program](#) defines sustainable procurement as "the practice of embedding relevant sustainability considerations

into the selection of goods and services, along with traditional factors such as price, quality, service, and other functional specifications. Sustainable procurement means getting best value for an organization over the total life of a good or service, while seeking opportunities that address environmental, ethical, social, and Indigenous opportunities and risks".

- The City of Montréal also considers social impact as part of sustainable procurement and has adopted a [Local and Responsible Purchasing Policy](#), which promotes working with companies whose practices are aligned with their goal of developing a local, circular, social, low-carbon, and inclusive economy.
- The [City of Edmonton's Sustainable Procurement Policy](#) notes that "every purchase can be leveraged to create economic, environmental, and social impacts". Further, the policy's purpose is "to ensure the City of Edmonton's procurement practices are open, fair, and transparent and contribute to building and maintaining a healthy, prosperous and climate resilient community."

Other governments have standalone policies for each area of focus, such as:

- The Treasury Board of Canada Secretariat's [Policy on Green Procurement](#) aims "to advance the protection of the environment and support sustainable development by integrating environmental performance considerations into the procurement decision-making process". This is separate from the federal government's [Procurement Strategy for Indigenous Business](#), [Policy on Social Procurement](#) and [Ethical Procurement](#) guidance to safeguard federal supply chains from forced labour, child labour and human trafficking.

Based on this review, the term "sustainable" can encompass a wide range of factors. Moving forward, staff recommend maintaining the term "environmentally responsible procurement" until a more appropriate name is determined. For the purposes of this report, the terms "environmentally responsible" and "environmentally sustainable" will be used interchangeably. In addition, it is recommended that environmentally responsible procurement be maintained separately from other social impact procurement strategies. [Social and Indigenous Procurement](#) will remain as standalone strategies. However, Purchasing and Materials Management will explore how environmentally responsible procurement can increase the City's spend with Indigenous, Black, and Diverse Suppliers in support of the First Nations, Inuit and Métis Procurement Policy and the Social Procurement Policy.

To begin, Purchasing and Materials Management's scope for environmentally responsible procurement will include greenhouse gas emissions reductions and circular procurement in support of the [TransformTO Net Zero Strategy](#) and the [Circular Economy Road Map](#). A report on the Circular Economy Road Map is forthcoming at the October 29, 2025 meeting of Infrastructure and Environment Committee. Future work could include creating an environmentally responsible procurement program that considers both the upstream and downstream impacts of a product through its lifecycle on factors such as:

- Air, water and soil pollution.

- Biodiversity.
- Climate resilience.
- Extending service life.
- Greenhouse gas emissions from use of the product.
- Material efficiency.
- Minimizing embodied carbon.
- Optimizing energy, fuel and water efficiency.
- Producing fewer polluting by-products and/or safety hazards.
- Production of hazardous waste.
- Reducing waste.
- Sustainable material selection.
- Use of ozone depleting substances.
- Use of renewable resources.
- Use of toxic chemicals.

## **DIVISIONAL ENGAGEMENT**

Starting in the fall of 2024, Purchasing and Materials Management began engaging City Divisions to identify opportunities and challenges to making environmentally responsible procurement more effective. Initial challenges that were identified included:

- Taking advantage of rapid technological change in green industries requires flexibility in the procurement process – the ability to run challenge-based procurements and negotiate with suppliers. While the City does have mechanisms to do this, these processes require further development, including training for both Purchasing and Materials Management and other divisional staff.
- Environmentally sustainable solutions require changes to “standard” specifications, which can be complex. Incorporating complexity into solicitation documents can lead to supplier non-compliance and higher bid prices if not done with appropriate market engagement and staff training.
- [Chapter 195, Procurement](#) defines best value for the City as being “the optimal balance of performance and cost determined in accordance with pre-determined evaluation criteria disclosed in a solicitation for the purpose of making an award.” In the case of requests for proposals, this means the highest-scoring bid. For requests for tenders and requests for quotations, this is the lowest-cost bid meeting technical specifications and supplier qualifications. Divisions have identified that this policy, particularly for tenders and requests for quotations, can limit the technology that the City can procure.
- In a rapidly evolving green technology market, there is a gap in understanding how to validate environmental sustainability claims in submissions or in project delivery and a lack of resources to do this work. Divisions expressed an interest in Purchasing and Materials Management Buyers having greater expertise in environmentally responsible procurement to support them with scoping and evaluation.
- Roles and responsibilities for integrating environmental sustainability into solicitations are unclear, with Purchasing and Materials Management holding procurement expertise, Environment, Climate and Forestry holding technical

expertise on certain green solutions and Divisions being subject matter experts on the goods and services that they need to procure.

## **UPDATE ON ENVIRONMENTALLY RESPONSIBLE PROCUREMENT POLICY INITIATIVES**

Work on environmentally responsible procurement can be broadly grouped into three categories:

1. Governance and accountability, which is focused on clearly defining roles and responsibilities for Purchasing and Materials Management, Environment, Climate and Forestry, and other City Divisions and setting divisional supply chain greenhouse gas emissions reduction targets. Resources required to support new or updated policy initiatives based on defined roles and responsibilities will also be assessed.
2. Supplier management, which includes supplier disclosures of greenhouse gas emissions and adding environmental responsibility to the Supplier Code of Conduct.
3. Procurement process updates, which include updates to specifications and evaluation criteria, and the disposal of surplus goods procedure.

## **GOVERNANCE AND ACCOUNTABILITY**

### **Environmental Responsible Procurement Governance Model**

A key theme that became clear through engaging with Divisions is that interdivisional collaboration is important when integrating environmental sustainability into solicitations, particularly for capital projects. Purchasing and Materials Management is continuing to engage Divisions to understand how their environmental sustainability initiatives intersect with the procurement process, what barriers they have encountered in the process, and opportunities to enhance environmentally responsible procurement.

Best practices on roles and responsibilities for environmentally responsible procurement are also being considered. An example is the implementation of a low-carbon concrete specification:

- Environment, Climate and Forestry, as the Division with technical expertise on greenhouse gas emissions reductions, conducted a [construction emissions analysis](#) in 2023, which showed that Toronto's linear infrastructure projects were responsible for 448 kilo-tonnes of carbon dioxide equivalent in 2019 or approximately 30% of Toronto's total construction emissions.
- Environment Climate and Forestry identified substituting Portland cement for Portland-limestone cement as a cost neutral measure to reduce scope 3 concrete emissions by approximately 10% with no negative impact on performance.
- Environment, Climate and Forestry then worked on implementing this recommendation with Purchasing and Materials Management, as the Division responsible for the procurement process; Engineering and Construction

Services, as the Division delivering capital projects; and Transportation Services, as the asset owner for many infrastructure assets impacted by the recommendation.

- Purchasing and Materials Management convenes a Broader Construction Association Consultation Group on behalf of the City, which was engaged in implementation.
- Engineering and Construction Services and Transportation Services added this low-carbon alternative to roadwork specifications for linear infrastructure projects such as road base, bus pads, curbs and sidewalks.
- Through a directive issued by Engineering and Construction Services, it is now the predominant cement type for concrete supplied on City projects. Moving forward, Engineering and Construction Services owns the standard and will work with asset owners (i.e., Transportation Services) on implementation in consultation with Environment, Climate and Forestry and Purchasing and Materials Management.

### **Environmentally Responsible Procurement Governance Table and Updating the Environmentally Responsible Procurement Policy**

As part of updating the Environmentally Responsible Procurement Policy, or creating a new policy, formally detailing roles will provide clarity and improve effectiveness. In April 2025, Purchasing and Materials Management convened an Environmentally Responsible Procurement Governance Table. A key objective of the Governance Table is to facilitate better collaboration between Purchasing and Materials Management, Environment, Climate and Forestry and other City Divisions in the planning stages of a project, where the greatest opportunities exist to integrate climate-friendly and/or resource-efficient specifications into solicitations.

The Governance Table has held two meetings to date (April 28, 2025, and June 9, 2025) and has identified the following initial priorities:

- Developing a survey to canvas City Divisions for existing environmentally responsible procurement resources (e.g. call documents, evaluation questions and feedback on the existing Environmentally Responsible Procurement Policy).
- Conducting supplier engagement to better understand environmentally sustainable product and service offerings in the marketplace and determine what environmental sustainability criteria the City can implement immediately with minimal cost or quality impact.
- Drafting a proposed scope for “Environmentally Responsible Procurement” and reviewing the Environmentally Responsible Procurement Policy in line with this scope.
- Identifying environmental sustainability-focused third-party certifications held by existing City suppliers.
- Advancing implementation of the City of Toronto 2018 Circular Procurement Implementation Plan and Framework, in alignment with TransformTO’s waste and sustainable consumption goals. This may include identifying proof-of-concept pilots, market engagement, staff capacity building and identification of relevant circular standards and/or certifications.

The Environmentally Responsible Procurement Table will reconvene in fall 2025 to continue advancing these objectives and ongoing policy development work.

The Environmentally Responsible Procurement Governance Table consists of City staff from the following Divisions:

- Corporate Real Estate Management
- Engineering and Construction Services
- Environment, Climate and Forestry
- Fleet Services
- Parks and Recreation
- Purchasing and Materials Management
- Solid Waste Management Services
- Toronto Water
- Transportation Services

### **Scope 3, Category 1, Greenhouse Gas Emissions Baseline**

Further to the July 2023 report, [2019 Corporate Consumption-Based Emissions Inventory Report](#), prepared by Environment, Climate and Forestry and EcoDataLab, Purchasing and Materials Management is completing an inventory of greenhouse emissions associated with procurement. Scope 3, Category 1, are emissions in the City's supply chain produced through manufacturing and delivering purchased goods and services.

Purchasing and Materials Management has engaged Polytechnique Montréal, International Reference Centre for Life Cycle Assessment and Sustainable Transition (CIRAIG) to determine a baseline for the City's Scope 3, Category 1, greenhouse gas emissions for 2024. CIRAIG has completed similar work for the Federal Government and the Province of Québec. Unlike the consumption inventory completed by Environment, Climate and Forestry using budget data, this work uses procurement (spend) data.

The project with CIRAIG aims to:

- Develop a replicable methodology for the City to calculate emissions from purchased goods and services, including reporting at a divisional and solicitation level;
- Identify data gaps and strategies to address these gaps; and
- Establish a heat map of high emissions procurement categories for immediate action.

These deliverables are expected to:

- Support divisions to establish appropriate emissions reduction targets for spend categories with the highest emissions or for specific solicitations; and
- Support alignment of procurement policies with the City's climate objectives identified in TransformTO.

The study commenced in April 2025. A final report is expected in the fall.

## **SUPPLIER MANAGEMENT**

### **Supplier Greenhouse Gas Emissions Disclosures**

Purchasing and Materials Management is exploring options to encourage suppliers to adopt their own net-zero by 2040 goals and to disclose progress towards those goals.

Purchasing and Materials Management has identified the federal government's [Standard on the Disclosure of Greenhouse Gas Emissions and the Setting of Reduction Targets](#) as a best practice. The Standard requires procurements valued over \$25 million, including taxes, to include mandatory criteria for suppliers to measure and disclose their greenhouse gas emissions and adopt a science-based target to reduce greenhouse gas emissions in line with the Paris Agreement as part of participating in the [Net-Zero Challenge](#) or in an equivalent initiative or standard. Equivalencies include [CDP](#) (formerly the Carbon Disclosure Project) and [Science Based Targets Initiative](#).

Canada's Net-Zero Challenge encourages businesses to develop and implement plans to transition their operations to net zero by 2050. However, it allows for more aggressive targets such as net zero by 2040 and, as such, could be leveraged by the City. Importantly, the Net-Zero Challenge requires suppliers to publicly report on their progress towards meeting their reduction targets.

Purchasing and Materials Management is currently working through how to operationalize disclosure requirements, including:

- Determining the value of procurements where mandatory disclosures will apply.
- Engaging divisions to understand potential challenges and identify solutions.
- Understanding market impacts.
- Determining how to utilize Canada's Net-Zero Challenge and what equivalencies can be accepted.
- Developing an implementation plan.

### **Supplier Code of Conduct Review**

As part of the environmentally responsible procurement policy development, Purchasing and Materials Management will be conducting a review of the Supplier Code of Conduct, which establishes minimum performance standards expected from suppliers awarded a contract with the City. A jurisdictional scan has highlighted the breadth of requirements that could be added, related to a broad concept of sustainability, including social responsibility, environmental standards, ethics, human rights, animal welfare and fair workplace practices.

The Supplier Code of Conduct review will:

- Identify what categories of requirements to include and how to prioritize implementation; for example, focusing on net zero and circular economy first, followed by broader environmental considerations.

- Engage Divisions and suppliers to understand potential challenges and identify solutions.
- Determine how to link an updated Supplier Code of Conduct with procurement policies, solicitation templates and evaluation criteria.
- Develop an implementation plan.

## **PROCUREMENT PROCESS**

### **Specifications and Evaluation Criteria**

Many Divisions have created environmentally sustainable specifications for a range of goods and services, including Purchasing and Materials Management's Materials Management and Stores team. A component of policy development will include creating tools and resources to support policy implementation. This may include:

- Building a central repository of environmentally sustainable specifications, including certifications, and evaluation criteria on Purchasing and Materials Management's internal website. This will include consolidating successful specifications from previous solicitations, collecting tools and templates from other municipalities, provinces and the federal government, and creating new specifications where gaps are identified.
- Sharing those specifications and evaluation criteria with the City's agencies and corporations and other governments, including through the Cooperative Purchasing Group, the Greater Toronto and Hamilton Area procurement table and the federal government's Buyers for Climate Action table.
- Working with Divisions to identify what specifications can be posted publicly.
- Developing new, and expanding existing, staff training.
- Engaging suppliers through existing and new communication channels.

### **Surplus Goods Disposal and Circular Procurement**

In collaboration with Environment, Climate and Forestry, Purchasing and Materials Management will be exploring opportunities to apply circular principles to the disposal of surplus items. Updating the City's existing Surplus Materials and Equipment Disposal Procedure with a circular lens has been identified as an action for the forthcoming Circular Economy Road Map implementation plan. The update will seek to maximize the resource value of surplus City assets and to enhance the community benefit impact of alternatives to disposal.

### **Innovative Procurement – Clean and Green Technology**

Purchasing and Materials Management is planning to establish an Innovative Procurement Program to help businesses navigate City programs based on their level of technology development. This will involve looking at existing and emerging programs, such as CivicLabTO, Invitation to Partner and the Green Market Accelerator Program, and mapping them against a development scale such as Innovation, Science and Economic Development Canada's technology readiness levels to improve system navigation. This will assist divisions and suppliers to differentiate between what is procurement and what is not and clarify pathways for clean and green technology

procurement. As this work builds on the completion of other related projects, implementation is targeted by the end of 2027.

## **NEXT STEPS**

Planned actions in the next 6 to 12 months for Purchasing and Materials Management's work on environmentally responsible procurement will include:

- Continued engagement with Divisions to collect updated information on the current state of environmental specifications, evaluation criteria and completed procurements with environmental sustainability considerations.
- Developing a platform to hold environmentally sustainable specifications and evaluation criteria that would serve as a reference to Divisions when developing solicitations.
- Implementing enhancements in the procurement planning process to assess planned solicitations.
- Conducting preliminary supplier engagement on third-party certifications for environmentally sustainable goods or services.
- Conducting divisional and market engagement to understand potential challenges with supplier greenhouse gas emissions disclosure requirements and identify solutions.
- Exploring how environmentally responsible procurement can increase the City's spend with Indigenous, Black, and Diverse Suppliers and Social Enterprises in support of the First Nations, Inuit and Métis Procurement Policy and the Social Procurement Policy.

## **CONTACT**

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## **SIGNATURE**

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Geneviève Sharkey  
Chief Procurement Officer

## **ATTACHMENTS**

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Attachment 1: Background on the City of Toronto's Environmentally Responsible Procurement Policy

## **ATTACHMENT 1: BACKGROUND ON THE CITY OF TORONTO'S ENVIRONMENTALLY RESPONSIBLE PROCUREMENT POLICY**

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The [Environmentally Responsible Procurement Policy](#) was developed through a series of workshops held by the City's Environmental Task Force in September 1998. The Environmental Task Force asked workshop participants to identify priority issues and actions in the areas of air, land, water, nature/greenspace, toxics/pollution prevention and sustainable energy strategies. The participants included City staff, representatives from environmental groups and agencies, community groups, business, education and labour. Participants identified ideas that could be quickly implemented to support improving the environment, achieving cost savings, creating local employment and that required limited new resources to implement. Environmentally responsible procurement was identified as an opportunity to achieve those objectives.

To support this direction, the Finance Department reviewed the environmentally responsible procurement activities of the former municipalities and noted that the former City of Toronto and Metro Toronto had Environmentally Responsible Procurement policies, which recognized the need to expand the use of environmentally sound products. In addition, the policies noted that environmentally sound products and services must meet operational requirements and that these products must be competitive in cost to ensure that the City/Metro would not pay unnecessary price premiums for these products or restrict competition.

Metro Toronto's environmentally responsible procurement policy was focused on waste reduction and ensuring that, wherever possible, specifications were amended to provide for use of products that were durable, reusable and which contained the maximum level of post-consumer waste and/or recyclable content without significantly affecting the intended use of the products or service. This policy also required cost analysis to ensure that products had competitive prices.

The former City of Toronto policy aimed to increase the development and awareness of environmentally sound products through reviewing contracts and specifications for goods and services to ensure that wherever possible and economical, specifications were amended to provide for expanded use of products and services that contain the maximum level of post-consumer recyclable waste and/or recyclable content, without affecting the intended use of the product or service. The policy also required cost analysis.

The Environmentally Responsible Procurement Policy was developed to expand on previous Metro and City policies. While the former policies were focused on using post-consumer waste and/or recyclable content, the Environmentally Responsible Procurement Policy also included a focus on encouraging the purchase of products/services that result in minimal damage to the environment.

One of the new policy's stated objectives was to harmonize Environmentally Responsible Procurement practices within the City of Toronto. At that time, the Environmentally Responsible Procurement Policy was included in the Interim Purchasing By-Law ([By-Law 57-1998](#)). Currently, it is a standalone document.

The policy was also intended to ensure that:

- Suppliers were made aware that the City was looking to expand its use of environmentally preferred products/services.
- These products/services were obtained in a competitive manner.
- The City's specifications were expanded to include such products/services.
- The products/services provided the performance required by the City.

In implementing the Environmentally Responsible Procurement Policy, Toronto referenced the federal government's guidelines for environmentally preferred products and services when developing specifications to ensure that goods and services received were, in fact, environmentally responsible products.

In November 2005, the Acting Treasurer and the Director of the Toronto Environment Office presented the results of a review of the City's environmentally responsible procurement practices to Executive Committee ([2005.EX36.18](#)). The report noted that implementing the Environmentally Responsible Procurement Policy resulted in multiple changes to the City's procurement practices. This included establishing a norm that commonly purchased products, including paper, lightbulbs and cleaning products, meet the environmental standards set by third parties, such as the Environmental Choice Program. In addition, the policy was also a component of other City-wide environmental initiatives such as the Green Fleet Plan and the Clean Roads to Clean Air program, where the City implemented actions which reduce the environmental impact of key City operations.

The review found that the policy had greatest success when environmentally responsible procurement was seen as an element of a larger initiative to improve environmental outcomes in City operations. An example cited in the report is the City's Green Fleet Plan, which outlined goals for reducing emissions from the operation of its vehicles. This involved developing partnerships to test and verify alternate and emerging technologies, establishing new standards to guide the development of environmental specifications for future purchasing call documents, and, in some cases, setting standards which require third-party verification.

The report also noted that there were still areas to enhance implementation of the Environmentally Responsible Procurement Policy. It also noted that through a survey of key staff and a jurisdictional scan of cities including Chicago, New York City and San Francisco, there are additional actions that could be taken to further enhance implementation.

Developing and delivering a training course was identified as a key next step to support enhanced implementation of the Environmentally Responsible Procurement Policy. In 2009, the Finance Department engaged a consultant to create a training deck to increase staff capacity in developing environmentally responsible procurement specifications. The training guided participants through creating a call document with environmentally responsible criteria and included the following components:

- Instructions on how to develop and include environmentally responsible specifications as well as mandatory and evaluated criteria.

- Guidance on evaluating bid submissions on environmentally responsible mandatory and evaluated criteria.
- An outline of roles and responsibilities within environmentally responsible procurement for the client division, the Finance Department and suppliers.

Training resources and solicitation templates were developed to build capacity among divisions on environmentally responsible procurement and to support greater compliance with the policy. Finance Department staff did not have the capacity due to resourcing and workload pressures to build out a full program around this policy, sustain regular training and monitor compliance.