

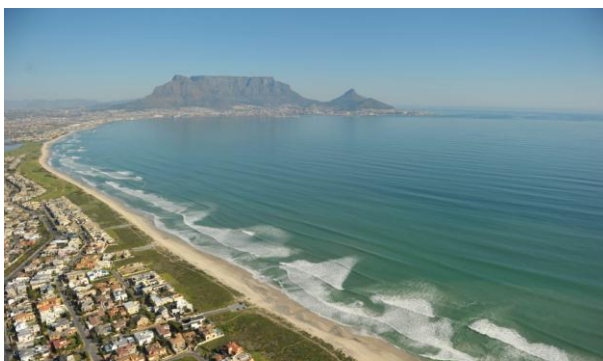


**GLOBAL LEAD CITY NETWORK
ON SUSTAINABLE PROCUREMENT**

Cape Town

(South Africa)

Sustainable Procurement Profile



*Images credit: City of Cape Town-Bruce Sutherland (left) -
City of Cape Town-Kevin Newman (right)*

PROCURING SUSTAINABLY, LEADING GLOBALLY



Introduction

The City of Cape Town (<http://www.capetown.gov.za>) has committed to integrating sustainable procurement into its procurement policy and procedures. Integration with the City's Supply Chain Management Policy has already occurred; this allows staff to include environmental sustainability as a criterion in procurement decision-making. The City of Cape Town has also published a set of Green Procurement Guidelines that provide staff with information on how to include sustainability criteria when compiling specifications and tender documents. Cape Town joined the Global Lead City Network on Sustainable Procurement in 2015.

Procurement in the city

- The City of Cape Town's Supply Chain Management Department is the central department responsible for managing all procurement in the City.
- Category management is in place through the division of the Supply Chain Management department into two broad sections – one dealing with tenders and contracts to the value of more than R200 000, and the other section dealing with procurement under R200 000. The procurement section (under R200 000) is further divided into a number of commodity teams (two focused on services, two focused on goods, and a mechanical and electrical workshop), which are further divided into purchasing groups focusing on specific categories. There is also a section which deals exclusively with stock items – such as paper and cleaning materials – that are kept in the City's internal stores.

OUR SPP ACHIEVEMENTS

- All traffic lights in the city have been retrofitted with LED lights, which are more energy efficient. The initial investment of R29 million will result in a saving of 7 459 MWh of electricity, 7 384 tons of carbon, and R11 million per annum financial saving to the City.
- 17% of the City's street lights have been retrofitted with LEDs. The investment of R58 million will result in a saving of 5 193 MWh of electricity, 5 141 tons of carbon, and R7,6 million per annum, with a payback period of seven years.
- 26% of the large municipal office buildings have been retrofitted to improve their energy efficiency. The investment of R45 million will result in a saving of 1 373 MWh of electricity, 1 259 tons of carbon, and R2,4 million per annum.
- All monitors for the City's approximately 15 500 computers have been replaced with more energy efficient technology which has led to an 84% saving in power.
- The implementation of improved desktop power profiles across City computers has resulted in savings of 905 MWh of electricity and R490 000 per year with no capital expenditure.
- Where possible, City vehicle fleet tenders have included fuel efficiency and Euro emissions standards
- An assessment of the greening potential of the City's stock items in its stores has been undertaken.
- The designs of some low-cost housing developments are incorporating green elements to promote resource efficiency and quality of life for the occupants.
- The City continues to promote green procurement through its waste minimization initiatives.

Sustainable procurement strategy

Sustainable procurement is integrated into the City's Supply Chain Management Policy, rather than being a stand-alone policy or strategy. The City has also committed to developing a Green Economy Strategy and Action Plan which will include as strong focus on sustainable procurement. A set of Green Procurement Guidelines has also been developed for the City of Cape Town, which provides staff with guidance on implementing sustainable procurement.

Responsibility for implementing sustainable procurement is shared. The City's Environmental Resource Management Department is leading the sustainable procurement approach within the City, in conjunction with the Supply Chain Management Department. An action plan will be developed during 2016/17 to give effect to this approach. Communication, training and capacity building will form an important part of this action plan and will focus on capacitating staff to include sustainable procurement in the development of specifications and tender documents.

The main focus of the City's sustainable procurement approach to date has been based on the following principles:

- Reduction of virgin material requirements of products/ensuring the highest possible recycled material content of products
- Minimizing waste production in manufacturing
- Minimizing energy consumption during both manufacturing and operation
- Minimizing and managing emissions or pollution created during manufacture, delivery, operation and disposal
- Minimizing the use of hazardous substances
- Encouraged the use of certified products or suppliers
- Encouraging the use of re-usable and recyclable products
- Promoting low maintenance requirements
- Ensuring environmentally responsible disposal



What we purchase sustainably

Electricity Efficiency and Renewable Energy

- **Rationale:** Electricity is a significant contributor to the City's carbon footprint and potential area of significant improvement.
- **Achievements/current activities:** The City is currently in the process of rolling-out energy efficient lighting and other energy efficiency interventions in its large office

buildings, as well as energy efficient street lighting (see achievements above). All traffic lights have already been retrofitted with energy efficient lighting and all new traffic lights comply with energy efficiency standards. The City also currently purchases a small amount of renewable energy from a local privately owned wind-farm, and then sells this electricity on to consumers through the use of Green Energy Certificates. The City supports small-scale embedded generation as a means of greening the City's energy supply.

- **Future plans:** Complete the roll-out of energy efficient lighting and other energy efficiency interventions in large municipal office buildings, as well as energy efficient street lighting. Increase purchasing of renewable energy, where feasible.

Transport

- **Rationale:** The transport sector is a significant contributor to the City's carbon footprint, as well having a significant impact on air quality.
- **Achievements/current activities:** The City has included sustainable procurement criteria (energy efficiency criteria and Euro emissions standards) into its vehicle fleet tenders, where possible. The entire MyCiti bus fleet currently meets Euro 4 standards for emissions, and newer buses within the fleet comply with Euro 5. The City is currently in the process of procuring electric buses as part of the MyCiti bus service and is investigating the possibility of using solar powered charging stations.
- **Future plans:** Continue greening the City's vehicle fleet, including the MyCiti bus service.

City Stock Items

- **Rationale:** The City buys numerous stock items that are used on a daily basis – such as paper, lightbulbs, cleaning materials, and refreshments. The City has significant purchasing power in these areas and the ability to make a significant impact.
- **Achievements/current activities:** All lightbulbs have been greened, and only energy efficient LED bulbs are now available for use in municipal buildings. The City is in the process of undertaking a study to determine options for greening its cleaning products stock items, which includes over 150 separate items. The study will provide detailed technical specifications to be included in tender specifications.
- **Future plans:** Similar interventions are planned for other product areas, including paper products and stationery.



How we purchase it

- **Life cycle costing:** This is included as a key principle in the City's green procurement guidelines and has been implemented in the procurement for various significant projects. This method of costing has allowed various important interventions to take place on the basis of short-term investment leading to long-term savings.
- **Supply chain monitoring:** This takes place on an ongoing basis and is an important tool for identifying progress.
- **Encouraging SMEs:** The City's Supply Chain Management policy specifically encourages the appointment of SMEs as well as specifying local content requirements for specific sectors. These are key procurement priorities at a national policy level. The SCM policy also includes provision for preferential procurement from historically disadvantaged individuals.

Keeping track on procurement

The City of Cape Town monitors procurement through an online system which shows staff which contracts have been awarded, for how much, and to which companies, along with other administrative details. There is as yet no process in place for monitoring sustainable procurement specifically – this will form part of the action plan to be developed in 2016/17.



Challenges for the future

The most significant challenge for the future is budget constraints. As a city in a developing country, municipal budgets are limited. Sustainable procurement interventions that save money (e.g. energy efficiency) are most likely to be successful in a constrained budget environment. However, other interventions which may have cost implications which cannot immediately be linked to savings or that have a long payback period may be more difficult to justify.

Further information

The City's website is currently being redesigned and doesn't have a dedicated green procurement page yet unfortunately.

Details of selected specific projects are listed below. These were profiled in detail for the Cape Town 2014 World Design Capital. More projects will be profiled in detail in the future.

RESOURCE	WEBSITE
"Superstar" green building	http://www.capetown.gov.za/en/WDC2014/Projects/WDC_project_015.pdf
Leaving no stone unturned	http://www.capetown.gov.za/en/WDC2014/Projects/WDC_project_018.pdf
Reducing the City's carbon emissions	http://www.capetown.gov.za/en/WDC2014/Projects/WDC_project_019.pdf
Feeding excess electricity into the grid (small scale embedded generation):	http://www.capetown.gov.za/en/WDC2014/Projects/WDC_project_048.pdf
Langa cultural precinct (use of recycled materials in building design):	http://www.capetown.gov.za/en/WDC2014/Projects/WDC_project_071.pdf

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About the GLCN on SP

The **Global Lead City Network on Sustainable Procurement** is a group of cities committed to drive a transition to sustainable consumption and production by implementing sustainable and innovation procurement. All participating cities are acting as ambassadors of sustainable procurement to lead to a resource efficient, low carbon and socially responsible society.