



# City of Denver

(United States of America)

## Sustainable Procurement Profile



*Credit: Visit Denver*



*Credit: Scott Dressler-Martin and Visit Denver*

**PROCURING SUSTAINABLY, LEADING GLOBALLY**



## Introduction

The City and County of Denver first addressed sustainable procurement in 1996, when its Executive Order 33 allowed the use of life-cycle costing in some instances. In November 2000 this Executive Order was amended to require agencies to undertake best efforts to procure “green products,” defined as “those products that are either manufactured from recycled materials or contain a percentage of recycled materials; or products that are environmentally friendly.” Denver’s procurement policies evolved from there to the most recent version, contained in Executive Order 123, released on March 11, 2013. That Executive Order also includes more general provisions relating to materials and waste management (e.g. “use electronic media in place of paper and travel”). There are also specific provisions made for developing a green fleet, and for sourcing food locally in catering and other transactions, and considering on-site food production, where cost effective.

Executive Order 123 is currently undergoing revision. We expect that all of these provisions will be updated during 2016. We hope to expand the concept of environmentally preferable purchasing into a more full-bodied policy on sustainable procurement, that is, focusing not just on what is purchased but also on the sustainability practices of our major vendors. This revision will be consistent with, and constrained by, applicable laws and policies of the federal government and the State of Colorado.

## Procurement in the city

Procurement for most city agencies is handled by the Purchasing Division of Denver’s Department of General Services. A few departments have independent procurement authority, specifically Denver Public Works, Denver Library and Denver International Airport (Construction and Professional Services). Denver Purchasing is responsible for goods and related services through a centralized procurement/financial system.



Credit: Stan Obert and Visit Denver

Denver Purchasing is currently in the process of implementing a new procurement system which will enable it to better administer and manage master purchase orders and contracts.

The addressable procurement spend annually is approximately \$400 million.

As noted previously, Denver is upgrading its environmental procurement policy and expects to have a new policy in place by the end of 2016.

## OUR SPP ACHIEVEMENTS

- **Green Fleet Initiative:** Alternative fuelled vehicles have been an important part of the vehicle fleet for many years. CNG, hybrid and electric vehicles are critically contributing to reductions in air pollution. The findings in a recent study of the fleets for Denver Public Works and Denver International Airport show that even with a net increase of 377 vehicles there was nearly a 29% decrease in emission levels from 2012-2014. By 2020 it is expected that emissions from these two fleets will be down nearly 60% from 2012 levels, significantly improving air quality throughout the Denver metropolitan region.
- **Community Solar Garden:** Contract has been awarded and is providing the City of Denver with solar sourced electricity for 16 City locations
- **Denver has a goal** under which at least 25% of food purchased through the municipal government will be produced or processed in Colorado by 2020. En route to achievement of this goal, in 2016 we plan to be at or above 10%.

## Sustainable procurement strategy

### Policies:

City and County of Denver Purchasing is following Executive Order 123, specifically Memorandum D. Find the link to the policy [here](#).

### Summary:

- The Purchasing Division of General Services will serve as the lead agency for the City's
- Environmentally Preferable Purchasing (EPP) program by:
- Providing guidance to all City agencies on EPP requirements, processes, and strategies.
- Providing training to buyers.
- Including standard EPP language in all formal solicitations and updating as necessary.
- Assisting agencies in developing product and service specifications that meet the requirements of the City's EPP Program.
- Where appropriate ensuring that EPP criteria are included in product or service evaluations. These criteria may not be appropriate when purchasing for emergency response situations.
- Tracking and reporting annually on the City's EPP program.
- Communicating the City's EPP program to all agencies and independent agencies.

### Strategies:

All formal solicitations include EPP policy statements and request proposers to provide applicable EPP attributes for their products or services.

- Recycled content

- Recyclability
- Product disassembly potential
- Durability
- Reusability
- Reconditioned/remanufactured
- Take-back
- Bio-based
- Energy efficiency
- Water efficiency
- Low volatile organic compounds (VOCs)
- Indoor air quality
- Bio-degradable
- Less waste
- Locally sourced
- Other EPP attributes, such as minimal packaging
- Total cost of ownership analysis

Data from these responses are utilized to a limited extent in contract awards. This is an area for improvement that Denver Purchasing will be pursuing in the future.

#### **Future Plans:**

There is an effort underway to update and revise Executive Order 123. Denver Purchasing is participating in this process. Part of the exercise is reviewing other municipality sustainable procurement policies and practices.

## **What we purchase sustainably**

### **Green Fleet Vehicles**

- 2020 City goals for energy savings/emissions reductions call for a reduction in energy consumption of 20% and in air pollution of 12% below a 2012 baseline.
- Alternative fuelled vehicles have been an important part of the vehicle fleet for many years. CNG, hybrid and electric vehicles are critically contributing to the reductions. As noted above, even with a net increase of 377 vehicles there was nearly a 29% decrease

in emission levels from 2012-2014. By 2020 we expect that emissions from our fleets will be down nearly 60% from 2012 levels, decreasing air pollution from government operations at a rate far in excess of the City's 2020. Future plans: Denver Purchasing will continue to collaborate with State and other local governments to help develop leveraged opportunities for acquiring alternative fuelled vehicles.

### Strategic Contracts

- High volume master contracts present a significant opportunity to make the most impact when the product offering is configured toward sustainable attributes. Denver Purchasing is working with our office supply contractor to offer a sustainable products "hot list" which offers eco-labeled products that meet the majority of the City's office supply needs at excellent pricing. Denver Purchasing is also engaged with our MRO contractors to present sustainable product offerings in a clear and easy to find manner for online ordering to grow the use of such products by agencies.

For the future, Denver Purchasing is reviewing additional master contracts that are candidates for similar efforts.



*Credit: Visit Denver*

## How we purchase it

- **Supplier engagement:** Regular interaction with key contractors to explore product and service offerings focusing on sustainability.
- **Cooperative procurement:** Taking advantage of a number of national cooperative contract procurements that provide an efficient and cost beneficial manner to meet the needs of the City.
- **eProcurement:** With the implementation of a new ERP Financial/Procurement system for the City, Denver Purchasing will be launching electronic catalog functionality and catalog management.

## Keeping track on procurement

Some contract vendors provide limited reporting on sustainable products purchased by the City. As part of the update and revision of the sustainable procurement policy and practices, Denver Purchasing is exploring more effective ways for monitoring as well as reporting methodologies.

## Challenges for the future

As we consider revision of our procurement policy we, like every other American city, are subject to constraints imposed by federal and state law. Municipal public procurement is regulated primarily at the state level, but the federal government provides substantial grant funding to cities like Denver, and that funding often includes procurement rules on funded projects. Constraints typically include requirements to purchase at the lowest price; requirements to allocate a certain portion of purchases to minority- and women-owned business (thereby limiting the pool of suppliers from which we may choose); and requirements to use contractors that pay the “prevailing wage” (which again limits the pool).

As with other American cities budget is always a constraint, particularly where sustainable procurement may result in incurring additional up-front costs. We do not currently have a robust system for assessing life cycle costs. In addition, a constraint unique to cities in Colorado is a provision in our state constitution known as the “Taxpayer Bill of Rights” (TABOR). TABOR makes it more difficult to create new taxes, raise existing taxes, and retain revenues deemed excessive from existing taxes, thereby making it more difficult to address challenges through increased spending. Like nearly every other city in the U.S., Denver is required to maintain a balanced budget, so we cannot use deficit spending to fund experiments with innovative programs.

Budget limitations also constrain our ability to hire the kind of specialized staff needed to delve deeply into the sustainability performance of vendors. Obtaining data and verifying claims can be a challenge. We are addressing this through dialogue with federal agencies, particularly the U.S. General Service Administration, and private NGOs such as the Carbon Disclosure Project and the Responsible Purchasing Network, that may be able to fill in gaps in our own research and data.



Credit: Brice Boyer and Visit Denver

## Further information

RESOURCE	WEBSITE
Link to the Denver Purchasing main website	<a href="https://www.denvergov.org/content/denvergov/en/purchasing-main-page.html">https://www.denvergov.org/content/denvergov/en/purchasing-main-page.html</a>
Link to the Denver Purchasing sustainability webpage	<a href="https://www.denvergov.org/content/denvergov/en/purchasing-main-page/sustainability.html">https://www.denvergov.org/content/denvergov/en/purchasing-main-page/sustainability.html</a>

## Contact

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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.