



CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

City of Cape Town Green Procurement Action Plan

1. Introduction

Green procurement, also frequently known as sustainable procurement, is defined by the United Nations Environment Programme (UNEP) as “a process whereby organizations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the organisation, but also to society and the economy, whilst minimizing damage to the environment”.

Public spending on goods and services can account for up to 30% of GDP in developing countries, and therefore has a significant impact on the economy, society, and the environment. As such, it is the duty of governments to ensure that their procurement decisions are environmentally and socially responsible, compliant with environmental laws and will have a positive impact on their local economies. By shifting procurement to more sustainable options – including “greener” goods and services, locally manufactured products, ethically produced products and goods and services that are compliant with environmental laws – governments can help drive markets towards innovation and sustainability. This in turn helps drive the shift towards a green economy.

Further, operations and activities conducted by the City are governed by strict environmental laws and regulations. Environmental non-compliance poses a significant risk to the City including financial, reputational, and litigation risks. Green procurement can help ensure that goods and services procured by the City are compliant with environmental laws and best practice.

2. Context

The City of Cape Town has committed to implementing green procurement in its operations and capital projects, through its Environmental Strategy. This action plan has therefore been developed to give effect to that commitment and set out the specific actions that need to take place.

It is important to note that many socially-responsible provisions have already been incorporated into the City's supply chain management policy and processes, including through the implementation of national legislation. These include provisions related to preferential procurement for small businesses (SMMEs), broad-based black economic empowerment (BBEE), and localisation criteria for certain sectors. As such, these provisions will not be reiterated in this action plan as they essentially comprise existing requirements.

Additionally, green procurement has already been included in the City's Supply Chain Management Policy as a principle, and as such has created the conditions for consideration of environmental concerns to be included in procurement decisions.

The aim of this action plan, therefore, is to define a set of principles to guide green procurement decision-making, define a set of desired objectives and outcomes for the City to strive towards achieving, and lay out the specific actions required to effectively transition towards green procurement in all of the City's operations and purchasing decisions, wherever possible.

3. Green Procurement Principles

The following principles will guide decision-making with regard to green procurement in terms of this action plan. These principles are derived from the City's Environmental Strategy, 2017 and echo the principles contained therein. These principles are above and beyond those contained within the existing City's Supply Chain Management Policy, 2017.

3.1. Life-cycle Approach

Procurement decisions should consider the whole life-cycle of a product or service. As such, products or services which may represent a short-term saving at the expense of long-term negative environmental impacts, or those which have the potential to create significant negative externalities, should be avoided. Compliance with environmental laws and best practice should further be considered across the whole life-cycle of a product or service.

3.2. Preventing, Minimising, and Mitigating Impacts

Procurement decisions should ensure that any potential negative environmental and social impacts of a product or service to be procured are prevented, and where these cannot be completely prevented, minimised or mitigated. This should adhere to the "Polluter Pays" principle and ensure that the costs of preventing, controlling, minimising or remedying pollution, environmental degradation or adverse health effects is borne by any provider of goods and services that are responsible for such pollution, environmental degradation or adverse health effect.

Procurement decisions should ensure that environmental legal compliance is entrenched in all stages of the procurement process, including procurement planning, budgeting, implementation and monitoring.

3.3. Resource Efficiency

Procurement decisions should ensure that products and services take into account the need for resource efficiency, both in terms of services that the City provides to the public and the day-to-day running of its own operations. Resource efficiency includes electricity, water, and fuel efficiency, as well as waste avoidance.

3.4. Circular Economy

Procurement decisions should ensure products and services take into account the three principles of circularity, namely: design out waste and pollution; keep products and materials in use by purchasing for durability, reuse, remanufacturing, and recycling; and regenerate natural systems.

4. Linkages to existing City policies

This action plan links to the following key City Policies and Strategies:

4.1. Supply Chain Management (SCM) Policy, 2017

Clause 109 of the SCM Policy states that “Green procurement should be considered for all specifications of goods, services and construction works”, while Clause 110 states that “In the development of bid specifications, innovative mechanisms should be explored to render the service or product more resource and energy efficient.”

Additionally, this action plan is fully in line with the seven desired outcomes of the SCM Policy, quoted below:

- to stimulate and promote local economic development in a targeted and focused manner;
- to promote resource efficiency and reduce the negative environmental impact of daily operations of the City;
- to facilitate creation of employment and business opportunities for the people of Cape Town with particular reference to B-BBEE;
- to promote the competitiveness of local businesses;
- to increase the small business sector access, in general, to procurement business opportunities created by Council;
- to implement e-Procurement as an alternative to a manual process, to enhance efficiency and service delivery;
- to support green procurement initiatives as far as is reasonably possible.

4.2. Economic Growth Strategy (EGS), 2013 and draft Inclusive Economic Growth Strategy (IEGS)

One of the five strategic areas of the EGS is “Sustaining Growth for the Future”. This action plan closely aligns with Strategy 1 of this strategic area which is to “Develop and implement a comprehensive green economy work programme”. Green procurement is an important component of working towards a greener economy. Notably, the draft Inclusive Economic Growth Strategy, 2019 (IEGS), which is intended to supersede the EGS, includes “Sustainability” as a key principle and highlights that “the City is well positioned to be leading the way in reducing carbon emissions and promoting sustainable business practices through procurement”.

4.3. Environmental Strategy, 2017

This action plan aligns closely with the following principles of the City's Environmental Strategy:

- Long-Term Approach: In taking decisions, operating, and planning for the future, the City will work to ensure that its actions and decisions do not undermine the long term benefits that the natural environment provides, and that the needs and interests of future generations will be considered and respected.
- Economic and Social Benefits: In taking decisions, operating, and planning for the future, the social, cultural, and economic value of the natural environment to communities, businesses and individuals, including green jobs, will be recognised, protected, made accessible and promoted.
- Preventing, Minimising, and Mitigating Environmental Impacts: In taking decisions, operating, and planning for the future, the City will ensure adherence to the principle of proactively preventing

adverse environmental impacts, including the impacts of pollution and the generation of waste and, where this is not possible, minimising and managing those impacts.

- Resource Efficiency: In taking decisions, operating, and planning for the future, the City will ensure that resource efficiency and low-carbon development are embedded in all aspects of its work.

5. Objectives

The objectives of the Green Procurement Action Plan are provided below. These objectives provide structure to the action plan by defining areas of work and therefore grouping related actions together.

- Objective 1: Ensure that the City has in place appropriate policies to support green procurement, including associated administrative tools
- Objective 2: Maximise the City's sourcing and purchasing of sustainable products
- Objective 3: Maximise the City's sourcing and purchasing of sustainable services
- Objective 4: Increase the number of green/sustainable buildings built by the City, with a long term aim of a complete transition to green/sustainable building
- Objective 5: Incorporate green procurement into the City's large capital projects
- Objective 6: Communicate effectively with the public, City contractors and City staff regarding green procurement
- Objective 7: Monitor and evaluate the City's performance in terms of green procurement

6. Action List

Objective 1: Ensure that the City has in place appropriate policies to support green procurement, including associated administrative tools

OUTCOME	ACTIVITY	TIMEFRAME FOR COMPLETION*
Outcome 1: Appropriate policies are in place that support green procurement	Review Supply Chain Management Policy to determine if updating is required	Short-term
	Update SCM policy if required and obtain relevant approvals	Short-term
	Undertake demand plan analysis to determine priority areas for intervention	Short-term
Outcome 2: Supply chain management administrative tools and procedures are in place to support green procurement	RFQ templates updated	Short-term
	Tender templates updated	Short-term
	Process flows developed for RFQs and Tenders, indicating options for integration of green procurement and environmental legal compliance into the processes	Medium-term
Outcome 3: Appropriate administrative tools and procedures in place to support and monitor environmental legal compliance	Develop a system to support and monitor environmental legal compliance in all stages of the procurement process, through ensuring that environmental legal compliance requirements are, inter-alia: outlined in tender/procurement specifications, ratified by bid specification committees, highlighted in bid advertisements, and incorporated in service level agreements.	Medium-term
Outcome 4: Closed loop procurement systems are developed and institutionalised	Undertake a feasibility analysis of potentially instituting an industrial symbiosis programme between City Departments, similar to WISP, and initiate if feasible.	Medium-term
	Introduce, in a phased manner, the requirement for project managers to include take back systems, refill systems; or hiring systems within specifications for certain goods or services, to ensure that the circular economy is embedded in City procurement processes. This would require service providers, in appropriate cases, as part of their scope, to take back packaging or used items, to provide refills of	Medium-term

City of Cape Town Green Procurement Action Plan

	consumables, and/or to hire their services to the City rather than provide goods.	
	Undertake a feasibility analysis and potentially initiate a shared 'Tools Library' whereby line functions can pool, share and 'hire' tools or equipment that are only needed periodically.	Medium-term

Objective 2: Maximise the City's sourcing and purchasing of sustainable products

OUTCOME	ACTIVITY	TIMEFRAME FOR COMPLETION
Outcome 5: Green procurement guidelines and specifications are in place for each goods purchasing group**	Undertake a prioritisation process and feasibility analysis to determine priority goods purchasing groups	Short term
	Develop guidelines and specifications for prioritised goods purchasing groups	Medium term
	Develop guidelines and specifications for remaining goods purchasing groups	Medium to long term
Outcome 6: Green procurement guidelines and specifications are in place for each non-utilities/non-transport related materials group within the City's stock items***	Undertake a prioritisation process and feasibility analysis to determine priority materials groups	Short term
	Develop guidelines and specifications for prioritised materials groups	Medium term
	Develop guidelines and specifications for remaining materials groups	Medium to long term
Outcome 7: The feasibility of developing guidelines and specifications for each utilities/transport related materials group within the City's stock items has been investigated	Investigate the feasibility of developing guidelines and specifications for each utilities/transport related materials group within the City's stock items	Medium to long term

Objective 3: Maximise the City's sourcing and purchasing of sustainable services

OUTCOME	ACTIVITY	TIMEFRAME FOR COMPLETION
	Undertake a prioritisation process to determine priority directorates and/or departments	Short term

City of Cape Town Green Procurement Action Plan

Outcome 8: Green procurement guidelines and specifications are in place per directorate and/or department	Develop guidelines and specifications for prioritised directorates and/or departments	Short to medium term
	Develop guidelines and specifications for remaining directorates and/or departments	Medium to long term

Objective 4: Increase the number of green/sustainable buildings built by the City, with a long term aim of a complete transition to green/sustainable building

OUTCOME	ACTIVITY	TIMEFRAME FOR COMPLETION
Outcome 9: Sustainable building guidelines are in place and all new City buildings conform to these guidelines	Develop sustainable building guidelines for City buildings, based on the equivalent of a minimum of GBCSA 4 star standards and aligned with the City's commitment for 'carbon neutral new buildings by 2030' and carbon neutrality city-wide by 2050	Short to medium term
	Develop specific sustainable building design guidelines, based on the City's 'Resource Efficiency Criteria for Development' guidelines for various types of City buildings where required (e.g. office/administration, clinics, libraries, community facilities, utilities facilities etc.)	Medium to long term
	Obtain approval from Council to require all new buildings built by the City to conform to the relevant sustainable building design guidelines as a mandatory requirement	Medium term
Outcome 10: Capital project planning and processes amended to include incorporation of sustainable building guidelines for all relevant projects	Amend capital project planning processes to ensure that sustainable building design guidelines are incorporated into in all relevant building projects	Medium term
Outcome 11: The retrofit of all City of Cape Town buildings with energy and water efficient technologies is completed	Finalise and complete existing retrofit projects	Short to medium term
	Develop a City buildings retrofit plan under the Internal Resource Management Protocol, aligned with the City's commitment for carbon neutrality city-wide by 2050	Short to medium term
	Implement the City buildings retrofit plan under the Internal Resource Management Protocol	Medium to long term

Objective 5: Incorporate green procurement into the City's large capital projects

OUTCOME	ACTIVITY	TIMEFRAME FOR COMPLETION
Outcome 12: Guidelines for greening of large capital projects are developed	Develop a set of sustainable design principles for various types of capital/infrastructure projects.	Short term
	Develop a set of specifications for the use of recycled building materials in City capital projects	Short to medium term
	Compile sustainable design principles into sets of guidelines in conjunction with relevant departments	Short to medium term
Outcome 13: Capital budget planning process amended to include incorporation of capital project greening guidelines for all relevant projects	Amend capital budget planning process to ensure that capital project greening guidelines are incorporated into in all relevant projects.	Medium term

Objective 6: Communicate effectively with the public, City contractors and City staff regarding green procurement

OUTCOME	ACTIVITY	TIMEFRAME FOR COMPLETION
Outcome 14: Green procurement guidelines are in place	Review existing Green Procurement guidelines and update and/or rewrite	Short term
Outcome 15: Effective internal City focused communication and training products and interventions are developed	Develop a variety of communication and training products and interventions aimed at City staff, with a focus on: <ul style="list-style-type: none"> • what green procurement is • how green procurement can be implemented and at what points in the procurement/tender process green procurement must be considered, with due consideration to ensuring environmental legal compliance • providing specific product/service related communication and training, rather than a generic message 	Short term
	Document innovative green procurement projects/practices already happening in the City through the development of short case studies	Ongoing

City of Cape Town Green Procurement Action Plan

	of successful green procurement projects/tenders and develop a user-friendly template for project managers to document case studies of green procurement projects/practices	
	Hold annual project manager training and activation sessions for all City Project Managers and BSC Chairpersons, where case studies are shared.	Short term and ongoing
Outcome 16: Effective public-focused communication products are developed	Communicate a message to the public at least twice per year focusing on green procurement (including what the City is doing, the benefits it has realised, and how the public can "purchase greener")	Ongoing
	Review and update, if required, the City's Smart Living Handbook to include a stronger focus on switching to green products and services	Short term
	Review and update, if required, the City's Smart Office Handbook to include a stronger focus on switching to green products and services	Short term
	Review and update, if required, the City's Smart Events Handbook to include a stronger focus on switching to green products and services	Short term

Objective 7: Monitor and evaluate the City's performance in terms of green procurement

OUTCOME	ACTIVITY	TIMEFRAME FOR COMPLETION
Outcome 17: A monitoring programme is in place for all RFQs and Tenders	Develop a system to monitor the implementation of green procurement in RFQs and Tenders	Short to Medium term
	Monitor RFQs and Tenders and put together a short report to the relevant portfolio committee in this regard annually	Ongoing
	Monitor compliance of goods and service providers with relevant environmental laws and standards	On-going
Outcome 18: The Green Procurement Action Plan is reviewed annually and kept up to date	Review the Green Procurement Action Plan annually.	Ongoing
	Update the Green Procurement Action Plan annually, if required.	Ongoing
Outcome 19: Targets for green procurement have been set	Progressively set targets for green procurement, focusing on priority areas	Ongoing

City of Cape Town Green Procurement Action Plan

Outcome 20: The City participates in local, regional, national, and international initiatives, networks, and partnerships related to green procurement	Ensure ongoing participation in the ICLEI Global Lead Cities Network on Sustainable Procurement (GLCN), of which Cape Town is a founding member.	Ongoing
	Join local, regional, national, and international initiatives, networks, and partnerships related to green procurement, where appropriate.	Ongoing

- * Short term: 1 - 2 years
- Medium term: 3 - 5 years
- Long term: 6 - 10 years

** Goods purchasing groups are as follows:

- o GA1: Clothing & Footwear; Firefighting equipment; Safety Equipment including Traffic Cones; Weapons and Ammunition
- o GB1: Plumbing Materials; Tools and Equipment Accessories
- o GC1: Fuels; Chemicals; Agricultural Material & Irrigation
- o GD1: Tools & Machinery; Air Conditioning
- o GE1: Civil Engineering: Suppliers, Sewer & Water
- o GF1: Medical Supplies; Refreshments
- o GG1: Building & Hardware; Recreation Goods
- o GH1: Electrical Components (Excl. Lighting, Cables)
- o GJ1: Electrical Cables & Accessories, Lighting and Fixtures and Traffic Signal Equipment
- o GK1: IS&T and Audio Visual Goods
- o GL1: Event & Communication goods - Promotional Items: Cutlery & Crockery, Bedding & Curtain; Furniture & Fittings, Appliances & Signage
- o GN1: Stationery; Printer cartridges; Pre-printed stock, forms registers; Office accessories

*** Non-utilities and non-transport materials groups are as follows:

- o 39110000 (Electrical – Lighting & Fixtures)
- o 53100000 (Clothing & Footwear)
- o 14100000 (Stationery)
- o 47130000 (Cleaning Chemicals)

City of Cape Town Green Procurement Action Plan

- 30180000 (Plumbing)
- 31160000 (Hardware)
- 12160000 (Chemicals)
- 27110000 (Tools & Equipment)
- 31210000 (Paint & Solvent)
- 50200000 (Refreshments)

