

Environmental Tools:

Green Procurement

What is green procurement?

Green procurement is the selection and purchase of products and services that comparatively have a reduced effect on human health and the environment. Green procurement requires a purchaser to assess all the environmental consequences and benefits of a product throughout various stages of its life cycle, also known as a life cycle assessment. By employing a life cycle assessment, a purchaser can consider the environmental costs of extracting natural resource materials, along with manufacturing inputs, and associated transportation, storage, use and final disposal of the product.

Green procurement provides a tool for a firm to adopt pollution prevention strategies and minimize the ecological footprint of their business operations. The ultimate objective of green procurement is to promote eco-friendly goods and services within the marketplace and thus eliminate or reduce social and environmental risks associated with products and services.

Where is green procurement used?

Green Procurement programs exist in private industry and governments of all jurisdictions. These programs can be initiated voluntarily or be policy driven.

Manitoba's Sustainable Development Procurement Guidelines

The Procurement Guidelines can range from the familiar attention to recycled products and avoidance of toxic substances, to the more fundamental recognition that purchasing decisions should consider the unique aspirations and needs of the people.

Manitoba's Sustainable Development Procurement Guidelines should be considered in any procurement activities and include the following:

- Promoting environmentally sustainable economic development
- Conserving resources
- Conserving energy
- Promoting pollution prevention, waste reduction and diversion
- Evaluating value, performance and need.

Alberta Environment's Office Ecology Green Procurement Policy

In 2005, Alberta Environment committed to a responsible procurement policy, which states:

The Ministry of Alberta Environment commits to the procurement of environmentally preferred products and services, to the greatest extent practical.

That is, where environmentally preferred products and services are available at a reasonable cost, and available within the options under current Ministry or Government of Alberta standing offers.

The implementation of this policy is currently under development.

Tool performance:

Pros

- Minimizes waste streams through the purchase of goods that are reusable, use less packaging and contain high levels of recycled content.
- With the purchase of products that are superior in energy efficiency, operational cost can be reduced and capital turnover demands can be delayed.
- Can reduce an organization's overall material flow-through and environmental impacts.
- Green procurement projects can be applied to small and large programs depending on an organization's budget.
- Through procurement decisions, citizens, firms and government have a significant opportunity to help develop Canada's domestic market for environmentally friendly goods and services.
- Large institutional customers, in particular governments large influence on markets. All governments in Canada directly contribute to approximately 50 percent of the country's GDP, so the impact of their procurement policies, even in the absence of movement by individual consumers, is substantial.
- Can reduce expenditures due to lower overhead costs and risks, avoiding waste disposal, liability or occupational health costs.
- Takes advantage of positive publicity and promotion potential, significantly improving their impact on the overall quality of the environment. This can be supportive of corporate social responsibility programs.
- Provides a healthier environment for employees and the public through reduced exposure to hazardous materials.

Cons

- The prices of green products are sometimes higher than conventional alternatives.
- Lack of commitment – for an organization to implement a green procurement program, it must have commitment from all levels, including senior management and purchasing agents. A policy statement outlining the corporate commitment to green procurement can help.
- Insufficient knowledge – many organizations are unfamiliar with the concept of green procurement or with the options available to them.
- Availability of green products – frequently, local distributors do not stock green products, or else they stock only small quantities. This can lead to delays in obtaining the product. Increasing market demand will help to overcome this obstacle.
- Another barrier to green purchasing is a lack of acceptable alternatives to the present product.

- Lack of information and product specifications – it is important that suppliers be asked to provide the environmental specifications of the products they are offering. Purchasers, in the same way, must clearly define their needs and requirements.
- Changing current purchasing habits – “We've always done it this way” can be a difficult mentality to overcome.
- Relationships may already exist between purchasers and suppliers that make it difficult to switch to alternatives.