

**Board Report**

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**CONSTRUCTION COMMITTEE  
JUNE 20, 2019****SUBJECT: METRO SUSTAINABLE ACQUISITION PROGRAM****ACTION: AUTHORIZE PROGRAM IMPLEMENTATION****RECOMMENDATION**

AUTHORIZE the implementation of an enterprise-wide Metro Sustainable Acquisition Program.

**ISSUE**

Sustainability is a core value at Metro and our agency is committed to ensuring that our public transportation system is planned, built, operated, and maintained in a way that encourages beneficial and restorative changes to local communities and the environment. The 2009 Board adopted Environmental Policy commits Metro to “applying sustainable principles and practices in our planning, construction, operations, and procurement to protect the environment for present and future generations.” This policy principle acknowledges the social and environmental impacts that exist within Metro’s supply chain and commits to the taking of steps to mitigate those impacts by integrating sustainability principles into the Agency’s acquisition activities as close to cost neutral as possible. Implementation of the commitments resulting from the 2016 Board Motion 57: *Environmental & Sustainability Efforts to Further Metro’s Goals to Reduce Emissions, Clean the Air & Improve Urban Areas* would be further enhanced by a sustainable acquisition program.

**BACKGROUND**

Metro has already implemented a robust Disadvantaged Business Enterprise and Small Business Enterprise (DBE/SBE) program that incorporates many ‘social’ considerations into Metro’s acquisition processes. Through this Board action, Metro will enhance the agency’s ‘green’ acquisition practices to ensure that environmental principles consistently inform acquisition decisions. The Sustainable Acquisition Program (Program) provides for a more structured and comprehensive approach to considering the environmental, social, and ethical impacts of the agency’s acquisition activities. The Program will operationalize commitments in Metro’s Environmental Policy, advance Metro’s sustainability initiatives, and continue Metro’s leadership on sustainability both regionally and among transit agencies nationally. This effort is consistent with current Federal and State directives to public agencies to consider the environmental impacts of products purchased, such as California’s AB 262:

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Buy Clean California Act and those that are required by code such as the California Green Building Code.

The Sustainable Acquisition Program Framework discussed herein outlines the program approach, development process, and how Metro will leverage internal procedures to achieve our sustainability objectives contained within Metro Policies and commitments outlined in the staff response to the 2016 Board Motion 57.

## **DISCUSSION**

Sustainable acquisition is a holistic strategy that adds considerations for the environmental, ethical, and social impacts of an organization's supply chain to the acquisition planning and selection criteria of price, quality, and functionality. Metro's Sustainable Acquisition Program will consider the direct social and environmental impacts of products and services, as well as the operational practices of vendors along key points in the supply chain, for Metro's three primary acquisition areas: Supply Chain, Professional Services, and Construction.

In the Fall of 2018, a baseline assessment was conducted on Metro's existing policies, specifications, processes, and programs to determine the current state of Metro's sustainable acquisition activities. Interviews were conducted with end users throughout the organization to identify existing sustainable acquisition achievements, challenges, and opportunities. This assessment concluded that there are numerous "ad-hoc" examples of successful sustainable acquisition across the Agency, such as fleet electrification, green cleaning chemicals, and the use of renewable natural gas. Metro has an opportunity to enhance its impact in these areas by creating a comprehensive Sustainable Acquisition Program that will connect existing initiatives.

Metro's Sustainable Acquisition Program will utilize a top-down, enterprise-wide approach to implement tools and processes that ensure social and environmental considerations and regularly inform the agency's acquisition decisions. A Three-Year Implementation Strategy has been developed and outlines the program goals that will guide program implementation.

### **Program Vision**

*Acquisition at Metro is a catalyst for social and environmental innovation in the transportation industry, leading to a low carbon, circular, and inclusive economy.*

### **Three Year Program Goals**

**Goal 1:** Metro will build a best practice Sustainable Acquisition Program that aligns with established standards and is recognized within its industry.

**Goal 2:** Sustainability will be regularly and meaningfully incorporated within specifications or considered as an element of acquisition decision-making criteria.

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**Goal 3:** Metro will see improved sustainable performance and positive social impacts as a result of acquisition activities, particularly in the areas of waste reduction and recycling, GHG reductions, energy efficiency, water, and resource conservation.

This approach to acquisition will help protect the agency from potential supply chain and regulatory risks and will pave the way for eco-efficiency benefits, improved employee engagement, and supplier innovation.

### **DETERMINATION OF SAFETY IMPACT**

Metro already has processes in place to ensure the safety of all new services and supplies acquired for use. The Sustainable Acquisition Program will align with, and in some cases enhance, the existing processes to consider safety in the acquisition decision making process. The Sustainable Acquisition Program is also expected to improve safety and security for employees and customers by reducing toxic materials, improving air quality, and supporting local economic development.

### **FINANCIAL IMPACT**

The funding for the implementation of this program for the remainder of FY19 is included in Project 450002, 1.01, Sustainable Design Guidelines and Policy Implementation, Cost Center 8420.

Since this is a multi-year program, the cost center manager and Chief Program Management Officer will be responsible for budgeting for costs in future years.

#### **Impact to Budget**

The financial goal of Metro's Sustainable Acquisition Program is to incorporate the principles in all acquisition and procurement activities to as close to cost-neutral to the agency as possible. The specific impacts will be assessed on an acquisition by acquisition basis, as implementation is phased -in over three or more years. Metro remains committed to fiscal responsibility and can use a lifecycle assessment approach to analyze acquisition options and find the most cost-effective and cost-efficient alternatives.

The Program will also provide a proactive and structured process for considering sustainability alternatives up front and integrate them into budgeting, specification development, technical requirements, and the construction planning-design-engineering process. This strategy mitigates the potential cost increases of adding these principles later in a project or product life cycle.

### **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

The Program supports the implementation of Metro's Strategic Plan Goals, with specific alignment to:

Initiative 5.2 - Exercise good public policy judgment and sound fiscal stewardship;

Initiative 5.4 - Apply prudent commercial business practices to create a more effective agency;

Initiative 5.5 - Expand opportunities for businesses and external organizations to work for Metro.

The Sustainable Acquisition Program will support these strategic goals by:

- 1) Aligning with Federal and State sustainable procurement directives;
- 2) Generating cost-savings and reducing the prevalence and cost of change orders to retroactively incorporate sustainability considerations;
- 3) Improving organizational efficiency and safety by improving the process for integrating sustainability considerations into the acquisition process; and;
- 4) Supporting the ongoing DEOD programs to create business opportunities in the local community.

**Proposed Approach (Direction & Decentralized Model):** The proposed Sustainable Acquisition Program approach is based on a directional and decentralized program model, which allows each acquisition to determine program applicability and relevant considerations individually. This approach was developed through collaboration between Vendor Contract Management and the Environmental Compliance and Sustainability Departments, with substantial input from Metro departments and stakeholders. The proposed approach also incorporates industry-standard best practices and lessons -learned from other transit and public agency programs. These considerations played a key role in forming the program structure and establishing the following foundational program principles:

- The new program requirements must not increase acquisition cycle time;
- Any new procedures must be easy to follow and integrate with the existing acquisition processes and must not conflict with Acquisition Policies and Procedures;
- The program must not limit open and fair competition among the vendor community.

### **ALTERNATIVES CONSIDERED**

The following alternative options were considered during the development of this program, but are not recommended:

**Alternative 1 (Status Quo Approach):** No change to current practices and sustainable acquisition efforts will continue in an ad-hoc or opportunistic manner only, which has proven to be successful in

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many instances. This approach lacks a lifecycle-driven sustainable acquisition program, Metro could be paying a premium to implement sustainable measures retroactively and/or sustainable opportunities could be missed or deemed less important.

**Alternative 2 (Prescriptive Approach):** A “prescriptive” program is the opposite of a “directional” program. A prescription approach pre-sets the requirements for sustainability whereas a directional approach identifies the direction the organization wants to head, using goals and objectives that are set and measured on an annual basis. In practice, a prescriptive approach would rely exclusively on specific standards or specifications for targeted product/service categories, which are continually evolving and changing. A directional approach would use the ingenuity of Metro and our network of consultants, contractors, and suppliers to determine the best sustainable solution for each acquisition. A directional approach is preferred as it will drive innovation.

**Alternative 3 (Centralized Approach):** A centralized program approach would rely on subject matter experts within Metro to champion the Sustainable Acquisition Program for the entire organization. Conversely, the recommended decentralized approach will have employees throughout the organization championing and contemplating sustainable options for acquisitions and other activities related to operations and construction.

A direction and decentralized Sustainable Acquisition Program will allow all our stakeholders to be a part of the solution, achieve desired procurement and acquisition outcomes, while ensuring that our agency’s sustainability goals are achieved.

Staff presented the principles of the Sustainability Acquisition Program to the Metro Sustainability Council in November 2018 and January 2019; and had requested input for incorporation into the final Sustainability Acquisition Program Framework report in March and April 2019. Staff did not receive any comments.

## **NEXT STEPS**

On Board approval, staff will proceed with the implementation of the Sustainable Acquisition Program that includes:

1. Staff resourcing;
2. Development and implementation of a Sustainable Acquisition Program Communication Plan;
3. Creation of a Metro Sustainable Acquisition Working Group;
4. Identification of opportunities to implement the sustainable acquisition principles and implement in those procurements;
5. Creation of training strategy and materials for internal and external stakeholders and vendors.

During implementation, staff will continue to build out the program tools, processes and procedures, and staff engagement/training, reporting, and monitoring. This set of implementation tactics will follow

the timeline and approach outlined in the 3-Year Implementation Strategy.

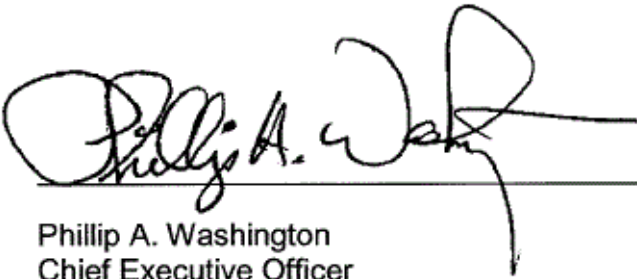
**ATTACHMENTS**

Attachment A - Sustainable Acquisition Program Framework

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Phillip A. Washington  
Chief Executive Officer



# Sustainable Acquisition Program Framework

*Metro Sustainable Acquisition Program*

April 2019

Prepared for Metro by:





## Table of Contents

<b>Executive Summary</b> .....	<b>3</b>
<b>1.0 Introduction</b> .....	<b>6</b>
<b>2.0 Program Focus and Structure</b> .....	<b>7</b>
<i>2.1 Sustainable Acquisition Program Framework</i> .....	<b>8</b>
<i>2.2 Sustainable Acquisition Key Impact Priorities</i> .....	<b>8</b>
<i>2.3 General Approach to Sustainable Acquisition</i> .....	<b>9</b>
<b>3.0 General Roles and Responsibilities</b> .....	<b>10</b>
<b>4.0 Program Review and Reporting</b> .....	<b>12</b>
<b>Attachments</b> .....	<b>13</b>
<i>Three-Year Implementation Plan</i> .....	<b>Attachment 1</b>
<i>Communication &amp; Training Plan</i> .....	<b>Attachment 2</b>
<i>High-Impact Acquisition Opportunity List</i> .....	<b>Attachment 3</b>
<i>Measures and KPIs</i> .....	<b>Attachment 4</b>





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## **Executive Summary**

Sustainability is a core value at Metro. The Agency is committed to ensuring its public transportation system is planned, built, operated, and maintained in a way that encourages positive and restorative changes to local communities and the environment. This includes acknowledging the social and environmental impacts that exist within its supply chain and taking steps to integrate sustainability considerations into the Agency's acquisition activities.

Metro has implemented a robust Disadvantaged Business Enterprise and Small Business Enterprise (DBE/SBE) program, which incorporates social considerations into select acquisition activities. This program has earned the Agency national recognition. As a next step, Metro seeks to formalize and enhance its existing green and sustainable acquisition efforts in order to achieve similarly impressive environmental impacts.

A formalized Sustainable Acquisition Program (Program) ensures that social and environmental considerations regularly inform acquisition decisions, helping to reduce corporate impacts and risks, as well as drive industry innovation.

For Metro, a Sustainable Acquisition Program means that:

1. In addition to competitive price, quality, and functionality, Metro will factor practical sustainable features such as reduced GHG emissions, reduced product toxicity, improved packaging, or similar sustainability benefits into acquisition decisions.
2. Acquisition decisions will increasingly consider environmental, social, ethical, and financial factors while working within the limits of Metro's legal and regulatory responsibilities.
3. In addition to specifying sustainability features for a specific product or service, Metro will also seek to promote good sustainability practices within its vendor communities.

## **Conceptual Program Vision**

*Acquisition at Metro is a catalyst for social and environmental innovation in the transportation industry, leading to a low carbon, circular, and inclusive economy.*

## **Three Year Program Goals**

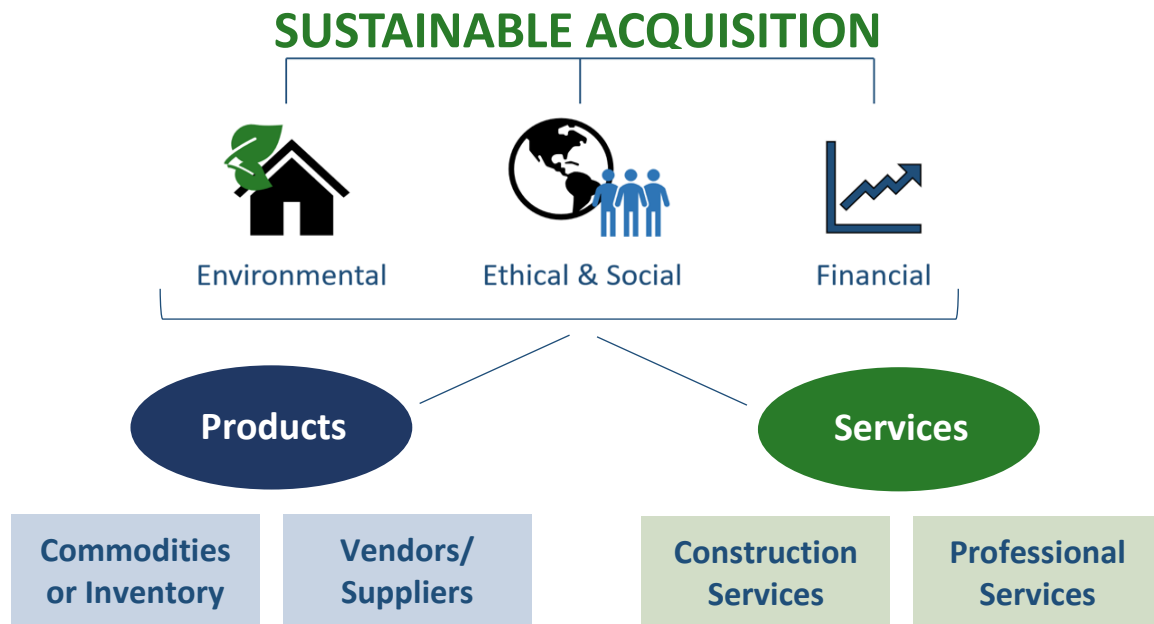
**Goal 1:** Metro will build a best practice Sustainable Acquisition Program that aligns with established standards and is recognized within its industry.

**Goal 2:** Sustainability will be regularly and meaningfully incorporated within specifications or as an element of acquisition decision-making criteria.



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**Goal 3:** Metro will see improved sustainable performance and positive social impacts as a result of acquisition activities, particularly in the areas of waste reduction and recycling, GHG reductions, energy efficiency, water, and resource conservation.



*Pillars of Sustainable Acquisition*

Metro’s Board of Directors has adopted a series of policies that commit to operating in an environmentally and socially responsible manner such as the Environmental Policy, Green Construction Policy, Renewable Energy Policy, and various other sustainability policies. These policies guide Metro’s planning, construction, operations, and acquisition protocols.

The Sustainable Acquisition Program will operationalize the directives contained in the Agency’s sustainability policies and advance Metro’s existing sustainability initiatives by broadening and deepening considerations related to sustainability in the acquisition process. The Program will be comprised of 10 key elements, summarized below.



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Framework  
Summary



High Impact  
Acquisition  
Opportunities



Communication



Program  
Measure



Acquisition  
Toolkit



Procedures



Code of  
Conduct



Training



Performance &  
Compliance

*Sustainable Acquisition Program Elements*

Four Program elements have already been developed and are included in the Sustainable Acquisition Program Framework:

1. Three-Year Implementation Plan
2. Communication & Training Plan
3. High Impact Acquisition Opportunity List
4. Measures and KPIs

These four program elements are provided in full in the Attachments to this document and will inform program implementation and roll-out. The balance of this document provides more information on the program scope, development approach, roles, and reporting expectations contained within the recommended Sustainable Acquisition Program.



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## **1.0 Introduction**

Sustainable acquisition is all about organizations and their people adopting a mindset that considers sustainability risks and opportunities when specifying and procuring goods and services. Sustainable acquisition aims to integrate reasonable and relevant sustainability considerations into existing processes, to compliment and optimize what is already being done, in alignment with policy initiatives within the organization and from other levels of government. As a result, sustainable acquisition can help protect Metro from potential supply chain risks, including business disruption, regulatory risks, or rising prices due to resource scarcity, and it will enhance Metro's reputation as a management leader in the public transportation sector.

Metro's Environmental Policy (2008) commits the Agency to "procuring products and services consistent with State and federal laws and regulations and in a manner that protects human health and the environment but not neglecting the efficient delivery of quality public transit services within our financial ability."

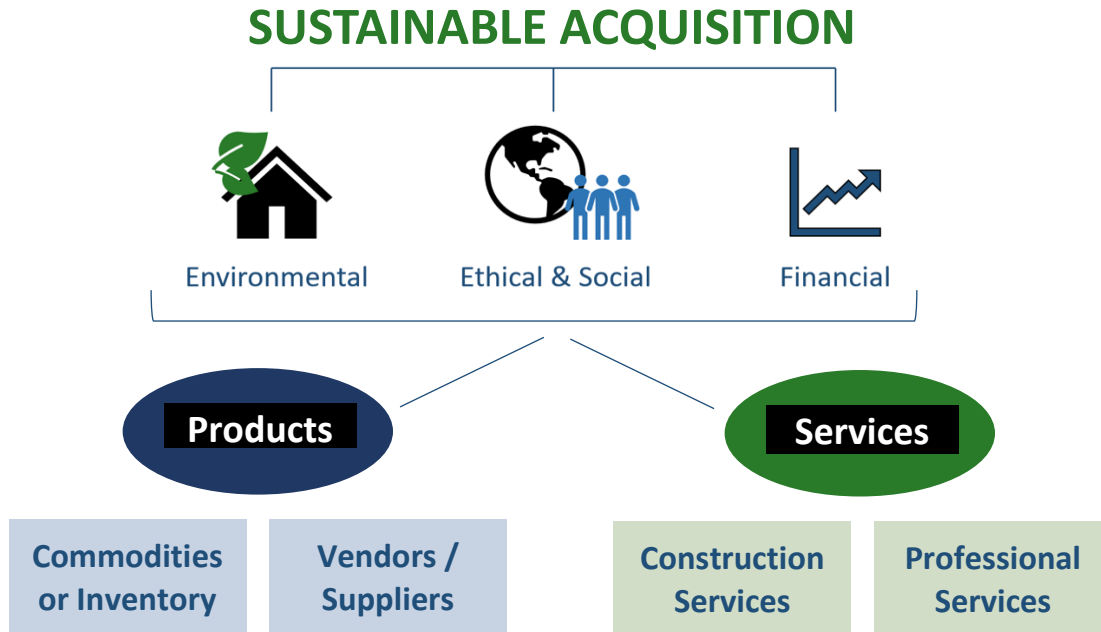
The Sustainable Acquisition Program will formalize these activities and bring a more structured approach to considering the environmental or social risks and opportunities within significant spend categories or significant projects. It will do this by providing staff with tools to use when developing specifications and training on how to apply those tools. The Program will establish a framework to track the overall financial, environmental, and social impacts that result from these collective efforts. Ultimately, the Program is intended to support the sustainability policies and program goals previously established by the Board and senior leadership.



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## 2.0 Program Focus and Structure

Sustainable acquisition considers the potential social and/or environmental impacts of products and services, as well as the management and operational practices of vendors along key points in the supply chain.



*Pillars of Sustainable Acquisition*

Sustainable acquisition promotes Metro’s desire to obtain products and services that offer competitive prices, are of good quality, are fit for functionality, and feature practical sustainable features and benefits, all while maintaining a commitment to fiscal responsibility. Additionally, sustainable acquisition means that Metro wants to encourage vendors to adopt sustainability practices in their operations.

The Sustainable Acquisition Program will follow a top-down enterprise-wide approach. Sustainable acquisition is not limited to certain product and service categories and can be considered when acquiring products and services for any of Metro’s departments.

Effective and impactful sustainable acquisition will ultimately be enabled through a partnership among all of Metro’s departments. In partnership with V/CM and ECSD, program success and impact will depend on strong support from internal client departments, as these groups make critical decisions around product, service, and project requirements.



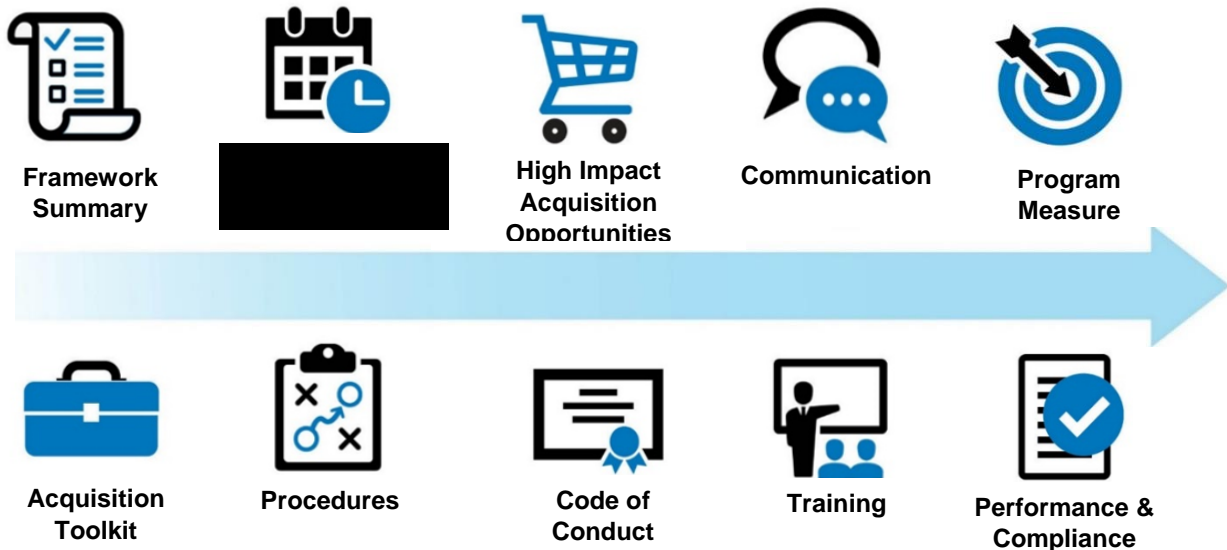
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## **2.1 Sustainable Acquisition Program Framework**

While a full-scale, comprehensive Sustainable Acquisition Program will include the 10 key elements identified in the graphic below, four program elements have already been developed as part of the program framework:

1. Three-Year Implementation Plan
2. Communication & Training Plan
3. High Impact Acquisition Opportunity List
4. Measures and KPIs

The development of these initial program elements establishes a roadmap for transitioning from the program design phase to the next phase of program implementation. The Program roll-out will begin with the Three-Year Implementation Plan, contained in Attachment 1. Further design and development of the remaining program elements will take place in Phase Two. The elements developed in Phase One are presented in full in the Attachments to this report.



*Sustainable Acquisition Program Elements*

## **2.2 Sustainable Acquisition Key Impact Priorities**

Sustainability encompasses a broad range of issues including environmental preservation, social responsibility, and maintaining economic vitality. While Metro will consider a range of potential sustainability issues when and where relevant, the Sustainable Acquisition Program will focus on:



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1. Reducing energy use and associated greenhouse gases (GHG) emissions;
2. Limiting air pollution and conserving water;
3. Promoting zero waste, and the use of safer materials and chemicals;
4. Continuing to promote small and medium size business participation;
5. Continuing to promote standards for safe working conditions, fair labor practices and ethical corporate behavior.

When practical, acquisitions will be considered from a sustainability perspective, considering efficiencies and savings gained through the use of more sustainable goods and services over the life cycle of the project or product. The depth and complexity of sustainability evaluations will be in alignment with the value, potential risk, and impact of the acquisition. Large complex projects will receive a greater level of assessment and due diligence.

## **2.3 General Approach to Sustainable Acquisition**

Metro will take the following approach to further designing, building, and implementing the Sustainable Acquisition Program:

1. Any sustainability considerations must comply with Metro's approved Acquisition Policy and all applicable statutes, regulations, ordinances, and codes;
2. Metro will establish a cross-functional Sustainable Acquisition Working Group to develop tools, resources, and training materials to support program implementation and inform staff on how to integrate appropriate and applicable environmental and social considerations into specifications and requirements;
3. Metro will develop approaches to Life Cycle Costing and Total Cost of Ownership based on best practices and as part of the development of broader Sustainable Acquisition tools, resources, and training;
4. Where appropriate, reasonably consider the life cycle costs as well as the environmental and social impacts of the products and services Metro buys, and the projects Metro builds, as early as possible in the planning stages, and to meaningfully integrate appropriate social and environmental criteria and standards into product and service specifications;
5. Meaningfully consider the sustainability practices of vendors within the acquisition process, in addition to the specific characteristics of their products or services;
6. Review and consider products, services, and project categories that have high sustainability risk or opportunity associated with their lifecycle and then develop specific guidelines or standards that will drive sustainability performance improvements in these categories;
7. Provide information to disadvantaged, small, and medium sized business enterprises regarding best practices, resources, and initiatives in the area of sustainability;



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8. Continuously play a leadership role in the region by collaborating with other local agencies, sectors, and industry leaders to advance the Sustainable Acquisition Program and stimulate sustainability innovation and transformation in the marketplace;
9. Communicate with vendors regarding best practices, resources, and initiatives in the area of sustainability;
10. Review and update guidelines and/or specifications related to sustainability on a periodic basis in order to meet best practices in green construction.
11. Consider and apply construction contract requirements and performance structures to ensure that sustainability requirements are met;
12. After establishing an Agency-wide baseline, set specific goals, measures, and targets that are regularly reported to the Board and then monitor the performance and impact of the Sustainable Acquisition Program.

### **3.0 General Roles and Responsibilities**

A successful Sustainable Acquisition Program is a partnership among all of Metro's departments. The Program will ultimately be delivered in collaboration with internal client departments, the vendor community, and other stakeholders. Initially, ECSD and V/CM will co-lead the ongoing development and implementation of the Program. Specific roles and responsibilities are envisioned as follows:

#### ***Board, the CEO, and Senior Leadership Team***

- Incorporate sustainability life cycle costing approaches into the budget process;
- Develop long-range strategic plans for sustainability and sustainable acquisition;
- Approve annual goals and targets that flow down through the organization and work to meet the short, mid and long-range plans for sustainability.

#### ***Chief Vendor/Contract Management Officer***

- Serve as partner organization for the Sustainable Acquisition Program within Metro to enable continuous improvement and periodic benchmarking;
- Help align the Sustainable Acquisition Program with other Metro programs and initiatives;
- Support the sustainable procurement community through professional associations.

#### ***EO / Environmental Compliance and Sustainability Staff***

- Assist in the implementation of the programmatic elements of the Sustainable Acquisition Program and align the same to the goals and objectives of the Environmental Policy through Metro's Environmental Management System;





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- Work with Metro Senior Leadership in developing Sustainable Acquisition Program elements and act as nexus to the implementation of these elements and best practices in the Planning, Design, Construction, and Operations and Maintenance of Agency infrastructure and assets;
- Incorporate the principles and practices of sustainable acquisition in the sustainability program of the Agency; and
- Track progress and report to the Board on overall Agency sustainability performance, including those metrics that are impacted by the Sustainable Acquisition Program.

## ***Vendor Contract Management Staff***

- Ensure that solicitations and contracts meet established processes and requirements;
- Communicate with client staff reminding them to incorporate relevant sustainability considerations into solicitations and contracts;
- Help coordinate education of Metro staff and vendors on sustainable acquisition practices and assist with data collection, compliance, and monitoring;
- Seek opportunities to recommend training for sustainable acquisition.

## ***Departmental Chiefs***

- Support utilization of the Sustainable Acquisition Program's guiding principles during project planning, contract/purchasing decisions, and standards/specifications development;
- Ensure project, program, and operations budgets are based on life cycle costing;
- Support and participate in Program targeted data collection and reporting;
- Support and participate internal collaboration that facilitates acquisition and process efficiencies;
- Ensure Sustainable Acquisition and related employee trainings;
- Support staff time for contributing to Sustainable Acquisition pilot projects.

## ***Internal Departments and End Users***

- Apply sustainable acquisition best practices when setting or reviewing mandatory or desirable specifications for products, services, or materials;
- Utilize sustainable acquisition best practices during project planning to deliver on Environmental Management System (EMS) requirements under ISO 14001, as well as other sustainability criteria;
- Plan and advocate for budgets that support life cycle costing;
- Contribute to sustainable acquisition data collection as requested;
- Seek opportunities for profession-specific sustainability training.

## ***Project Managers, Planning Staff, and Design Professionals***

*(e.g. Architects, Engineers, and Landscape Architects)*



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Within their scope of work, and when applicable:

- Incorporate sustainable acquisition best practices and prioritization strategies into project design, vendor selection, and material/product specifications;
- Utilize sustainable acquisition best practices during project planning and when revising standard drawings, details, and specifications;
- Plan and advocate for project budgets that support life cycle costing;
- Monitor project contractors, consultants, vendors, and suppliers on Sustainable Acquisition Program requirements and compliance;
- Contribute to sustainable acquisition targeted data collection as requested;
- Seek opportunities for profession-specific sustainability training.

***All Metro Employees***

Within their scope of responsibilities, and when applicable:

- Select goods and services which align with Sustainable Acquisition Program best practices;
- Contribute to sustainable acquisition targeted data collection as requested;
- Seek opportunities for sustainable acquisition training.

## **4.0 Program Review and Reporting**

The Program will be reviewed every three years to ensure that it remains current with best practices and aligns with emerging Metro acquisition policies, procedures, and related programs.

Staff will report regularly to the Board on progress towards a defined set of Sustainable Acquisition goals and targets, with support and data from Sustainable Acquisition Program partners, internal client departments, and ECSD. V/CM and Program partners will use performance results, data from any internal audit functions, and stakeholder input to facilitate improvement of the Program and implement process efficiencies.

Key Performance Indicators (KPIs) will be reported periodically as part of Metro's ***Energy and Resource Report***. To enable effective reporting, Metro will invest in processes to automate spend and impact data, supplier evaluation tracking and other reporting tools in alignment with best practice management practices.



# Attachments

*Metro Sustainable Acquisition Program*



## **ATTACHMENT 1**

# **Three-Year Implementation Plan**

*Metro Sustainable Acquisition Program*

*APRIL 2019*



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# Three-Year Implementation Plan

## *Metro Sustainable Acquisition Program*

The Sustainable Acquisition Program Three-Year Implementation Plan has been created as a tool for the a\* ^} & A[ A~ qā/ā āA ]|^ { ^} A^ d[ q. Ū~ • cā cā^ A Cē ~ ā āā } A Program. The Implementation Plan outlines a conceptual vision and three program goals to provide high-level direction for the program. The Implementation Plan also identifies six objectives to advance Metro towards achieving the program goals. A series of tasks and activities are linked to each of the objectives and summarized in section four below. Success is dependent on working closely with end users, key internal support groups within Metro, and ultimately vendors across the supply chain.

The Three-Year Implementation Plan includes the following elements:

1. Conceptual Program Vision
2. Program Goals and Objectives
3. Activation Steps for the First 3-6 Months
4. Three-Year Sustainable Acquisition Program Implementation Plan

### **1. Conceptual Program Vision**

*Acquisition at Metro is a catalyst for social and environmental innovation in the transportation industry, leading to a low carbon, circular, and inclusive economy.*

### **2. Program Goals and Objectives**

The Implementation Plan outlines three program goals and six objectives with • ~ ] ] [ [ cā \* A&cā } • A[ A^ dā ^ A^ d[ q. Ū~ • cā cā^ A Acquisition Program Vision.

#### **Three-Year Goals:**

**Goal 1:** Metro will build a best practice Sustainable Acquisition Program that aligns with established standards and is recognized within its industry.

**Goal 2:** Sustainability will be regularly and meaningfully incorporated within specifications or as an element of acquisition decision-making criteria.

**Goal 3:** Metro will see improved sustainable performance and positive social impacts as a result of acquisition activities, particularly in the areas of waste reduction and recycling, GHG reductions, energy efficiency, water, and resource conservation.



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**Objectives:**

**O1. Build Staff Understanding:** Ensure staff at all levels have appropriate knowledge and technical tools to effectively implement the Sustainable Acquisition Program.

**O2. Implement Tools and Procedures:** Update, develop where required, and consistently apply Sustainable Acquisition criteria and tools.

**O3. Increase Routine Sustainable Acquisitions and Quick Wins:** Identify and

**O4. Pursue High-Impact Acquisition Opportunities:** Identify and pursue high-impact sustainable acquisition opportunities.

**O5. Engage Key Stakeholders:** Ensure suppliers and other external stakeholders

**O6. Monitor, Evaluate, and Plan:** Implement measurements to monitor and update progress to support continual improvement.



### 3. Activation Steps for the First 3-6 Months

The following table identifies five actions to be taken in the 3-6 months following program approval.

Action	Potential Lead
1. <b>Secure Adequate Resourcing to begin Program Implementation:</b> Secure Senior Leadership Team support for budget allocations required for program development and implementation.	V/CM and ECSD
2. <b>Roll-Out the Communication Plan:</b> Update as required and implement the Communication & Training Plan to support the uptake of the overall program and ensure that relevant internal and external stakeholders are informed about Sustainable Acquisition responsibilities and progress. Update Sustainable Acquisition success stories and profile existing acquisition inventories.	ECSD with support from V/CM & Communications
3. <b>Create a Cross-Functional Sustainable Acquisition Working Team:</b> Assigned representatives from relevant divisions or departments (e.g., ECSD, Communications, V/CM, Bus Operations, Rail Operations, Planning/Program Management, Engineering and General Services) to join a cross-functional team to help with implementation & impact acquisition opportunities, as well as education and training activities.	ECSD
4. <b>Identify Regular or Routine Acquisitions:</b> Identify several regular or routine acquisitions that offer meaningful, and cost-effective sustainability wins in key areas.	ECSD, V/CM & Client Departments
5. <b>Create Training Strategy and Materials:</b> Using the Communication Plan as a guide, create an adequately detailed Training Strategy for key internal groups. Create the associated training materials in cooperation with internal training experts and staff. Training should enable staff who have a key role in the Sustainable Acquisition Program to understand their role throughout various points of the acquisition process, how to apply Sustainable Acquisition tools or checklists, and how to interpret the results to improve overall Sustainable Acquisition performance.	ECSD with support from V/CM & Training



#### 4. Three-Year Sustainable Acquisition Program Implementation Plan

The following table outlines recommended actions occurring in Year One, Year Two, and Year Three of implementation to achieve the Program goals and advance toward the long-term vision. The Actions are categorized under their respective Objectives (O1 to O6).

Objective	Year One		Year Two	Year Three
	Action	Lead	Action	Action
<b>O1. Build Staff Understanding:</b> <i>Ensure staff have knowledge and technical tools to effectively implement Sustainable Acquisition.</i>	Implement the <b>Communication and Training Plan</b> to raise internal awareness and build support for the Sustainable Acquisition Program. <b>(Q1 through Q4)</b> .	ECSD and Communications	Continue to <b>implement change management activities</b> to support the program and ensure that relevant internal stakeholders are fulfilling their sustainable acquisition responsibilities and are informed of progress.	
	Refine and execute a <b>Training Plan</b> for client departments and other key groups (e.g. training on how to assess risk, apply Sustainable Acquisition tools, and engage suppliers).	ECSD and Talent Development	<b>Continue Implementation of the Training Strategy</b> for client departments and other key sections/new staff.	Train new staff on an on-going basis; Update the Sustainable Acquisition Program Training Strategy.
	Join <b>collaborative Sustainable Acquisition forums</b> , such as the Sustainable Purchasing Leadership Council, to leverage knowledge and share opportunities.	ECSD and V/CM	Continue to engage in <b>collaborative Sustainable Acquisition forums</b> by making presentations and attending events.	Take a leadership role on Boards or Committees for organizations with related sustainable acquisition priorities.





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Objective	Year One		Year Two	Year Three
	Action	Lead	Action	Action
<b>O2. Update, Develop, and Apply Implementation Tools and Procedures:</b> <i>Develop and consistently apply a set of Sustainable Acquisition tools</i>	Update, develop, and apply <b>tools</b> to acquisitions (e.g. checklists, criteria specific clauses, vendor questionnaires, risk/opportunity identification tool, etc.).	ECSD and V/CM	Continue to develop Sustainable Acquisition <b>tools</b> and ensure consistent use of tools.	
	Draft <b>guidelines</b> on how sustainability will be addressed with client departments in high, medium, and lower value acquisitions (defining need, determining total cost, specifications, etc.)	ECSD and V/CM and Client Departments	Clarify <b>procedures</b> for how Environmental Specialists or Subject Matter Experts in Energy, Waste, Water, etc. can be involved in writing specifications and evaluating supplier responses in which sustainability is deemed to be important.	Publish and <b>automate access to tools and procedures</b> via smart technologies and internal communication channels.
<b>O3. Perform Routine Sustainable Acquisition and Quick Wins:</b> <i>Identify and carry out quick win Sustainable Acquisition opportunities; integrate sustainability into routine purchasing.</i>	Confirm 4 upcoming acquisitions that would represent <b>quick sustainability</b> and engage with key client department buyers to <ul style="list-style-type: none"> <li>• <i>ca</i> <i>~</i> <i>a</i> <i>ca</i> <i>* A</i> <i> </i> <i>Æ</i> <i>!^^</i> <i>} A</i> <i>q</i></li> </ul> alternatives.	ECSD and V/CM with support from Cross-Functional Working Team	Using lessons learned from quick win projects, integrate Sustainable Acquisition approach into <b>routine acquisitions</b> on a phased basis.	<b>Continue phased integration</b> of sustainability into routine acquisitions and apply at least a 10% weighting for sustainability criteria in scored RFP solicitations
	Utilize checklists and training to provide staff with the <b>information and resources</b> to make simple sustainability decisions within their acquisition.	ECSD and V/CM with support from Cross-Functional Working Team	Develop recognition and reward program that integrates with P-Cards to profile Sustainable Acquisition successes and champions.	<b>Create online ordering catalogues</b> for e-transactions that highlight sustainable products in routine categories.



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Objective	Year One		Year Two	Year Three
	Action	Lead	Action	Action
<b>04. Pursue High-Impact Acquisition Opportunities:</b> <i>Identify and carry out high-impact sustainable acquisition opportunities</i>	Work with major departments and the Cross-Functional Working Team to conduct a spend analysis to identify 6 to 10 upcoming acquisitions over the next 1 - 2 years with large sustainability risk or opportunity. Update the <b>High-Impact Acquisition Opportunity List</b> .	V/CM and ECSD	Manage the list of <b>High-Impact Acquisition Opportunities</b> ; incorporate lessons learned from trial period; engage with key contract managers to update <b>sustainability specifications</b> .	Perform an <b>acquisition risk analysis</b> , to identify supply chain, including sustainability risks.
	Conduct best practice <b>research</b> (e.g. CDP Supply Chain), <b>consult</b> with peer organizations to see how they are reducing carbon in their supply chain.	ECSD and V/CM	Perform a <b>simple carbon footprinting</b> of top 10 suppliers to identify 1-2 priority categories or practices to target that will reduce supply chain GHG emissions.	<b>Implement low-carbon action items</b> in collaboration with local suppliers and peer organizations.  Prepare <b>case studies or success stories</b> showcasing results of GHG reduction/low carbon acquisition initiatives.
	<b>Consult</b> with peer (e.g. APTA) organizations to see how they are reducing waste through the acquisition process and if there are opportunities to collaborate on zero-waste (i.e. circular) supply chain initiatives.	ECSD and V/CM	Perform a <b>simple waste footprinting</b> to identify opportunities to reduce waste to landfill through the acquisition process.	<b>Implement circular acquisition action items</b> in collaboration with local suppliers and peer organizations.  Prepare <b>case studies or success stories</b> showcasing results.



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Objective	Year One		Year Two	Year Three
	Action	Lead	Action	Action
<b>O5. Cultivate Stakeholder Relations</b> <i>Ensure suppliers and other external stakeholders are adequately informed about, and appropriately consulted on, the Sustainable Acquisition Program</i>	Create a Sustainable Acquisition <b>website</b> and populate it with a description of the Sustainable Acquisition Program, including a value proposition highlighting the relationship between the Sustainable Acquisition Program and existing Metro policies and plans, and a FAQ document.	Communications with support from ECSD	As new Sustainable Acquisition Program initiatives are developed, <b>identify and consult key stakeholders</b> for feedback and advice.  Submit nominations to sustainability acquisition award programs with groups like APTA and SPLC and others locally.	Develop an <b>annual Supplier Sustainability Award</b> to recognize best practices.  <i>(The Region of Peel and/or Metro of Toronto have existing programs.)</i>
	Host <b>presentations and/or webinars</b> on how to meet sustainability expectations. Presentations & sessions.	ECSD with support from Communications	Hold a <b>Vendor Sustainability Summit</b> to inform the local supplier Sustainable Acquisition approach, encourage participation, and identify opportunities to work together in achieving joint sustainability priorities.	Host a <b>Vendor Sustainability Innovation Lab</b> to encourage suppliers to suggest alternative/innovative sustainability solutions within the acquisition process.



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Objective	Year One		Year Two	Year Three
	Action	Lead	Action	Action
<b>O6. Monitor, Evaluate, and Plan</b> <i>Implement procedures to measure, monitor, and report on progress to support continual improvement and accountability</i>	Implement monitoring mechanisms from the Program Measures framework to incorporate basic tracking into the acquisition process benchmark baseline performance; include measures to assess financial cost-benefits where feasible.	V/CM and ECSD	Develop and implement a <b>post-acquisition tracking form</b> that includes the tracking of sustainable purchasing outcomes.	<b>Assess</b> overall progress on the Sustainable Acquisition Program Implementation Plan and <b>draft a new Three-Year Implementation Plan.</b>
	Identify preliminary <b>targets</b> based on key performance indicators (KPIs) in the Program Measures framework.	V/CM and ECSD	<b>Set additional KPIs and three-year targets</b> for Sustainable Acquisition after benchmarking performance.	Enhance processes for managing and collecting data and information internally and via suppliers.
	Identify and communicate the <b>roles and required progress reporting requirements</b> of each partner department.	V/CM and ECSD	Submit <b>first annual progress report</b> on sustainable acquisition to the Board; consider using a balanced scorecard approach to measure progress against the chosen targets.	Submit <b>annual progress report</b> to the Board.
	Decide upon the <b>recourse</b> for non-compliance with sustainability requirements in contracts and communicate this to suppliers.	V/CM and ECSD with support from Legal	Ensure that sustainability-related commitments made by suppliers are delivered by incorporating them into existing <b>contract management processes.</b>	Develop standardized processes for estimating, calculating, tracking and reporting financial ROI on sustainable acquisition activities.



## **ATTACHMENT 2**

# **Communication & Training Plan**

*Metro Sustainable Acquisition Program*

**APRIL 2019**



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# **Communication & Training Plan**

## ***Metro Sustainable Acquisition Program***

Communication and training will play a significant role in helping Metro to build a culture of sustainable acquisition across the agency, and especially within the client departments, that regularly considers sustainability risks and opportunities during project scoping, specification development, and the requisition process. The following Communication & Training plan will play a significant role in the implementation of the Metro Sustainable Acquisition Program over the next 2-3 years.

The Communication and Training Plan includes the following elements:

1. Phases, Objectives, and Desired Outcomes
2. Target Audiences
3. Primary Strategies
4. Key Messages
5. Roles and Responsibilities
6. Measurement and Evaluation



## 1. Phases, Objectives, and Desired Outcomes

Phase	One	Two	Three	Four	Five
Stage	Orienting	Learning	Practicing	Mastering	Maintaining
Timeframe	<i>Jul. – Dec. 2019</i>	<i>Jan. – Jun. 2020</i>	<i>Jul. – Dec. 2020</i>	<i>Jan. – Jul. 2021</i>	<i>Jul. – Dec. 2021</i>
Objectives	Build awareness and understanding of the Sustainable Acquisition Program strategy, plans, and available resources	Develop confidence to apply Sustainable Acquisition Program tools/ checklists and generate interest in piloting Program principles for significant procurement opportunities	Support staff to apply the Program procedures and approaches as comprehensively as possible  Build initial awareness and understanding with external audiences	Ensure staff have a clear understanding of their individual requirements and resources  Build Board and Senior Leadership Team awareness and support for the program  Deepen external awareness of the program	Ensure that staff at all levels maintain their level of proficiency at implementing the Program  Onboard new staff quickly and efficiently
General Outcomes	All internal audiences know the basics of the Sustainable Acquisition Program in relation to their role	Staff build their understanding of how the Sustainable Acquisition Program affects their role, and gain applied knowledge	Operational staff gain familiarity with implementing the Sustainable Acquisition Program and appreciate its value	Staff are knowledgeable on how to be effective participants in the Program and have the appropriate level of competency to execute the Program in relation to their role  Board understands the Program and its value to Metro	Staff are willing and able to act as ambassadors for the Program to peers, internal clients, and external stakeholders, including vendors  Metro sees positive social and environmental impacts from the Program



## 2. Target Audiences

The table below summarizes the seven target audiences identified for the implementation of this Communication Plan:

Audience	Audience Description & Information Needs	Potential Level of Engagement & Timing
<b>Board / SLT</b> <i>Approx.</i>	Requested and approved the Sustainable Acquisition Program and should support its implementation  Program progress reports	<i>Level of Engagement</i> Low  <i>General Timing</i> Periodic Program updates as required; approximately 2-3 times per year.
<b>Internal Client Departments</b>	Occasional users of acquisition services and end-users of the purchased products and services  Includes two key sub-groups: those in key client departments and those who are not in key client departments  Should have an awareness of the Sustainable Acquisition Program and sustainability considerations relevant to their purchases  Should feel comfortable with the Sustainable Acquisition Program nomenclature	<i>Level of Engagement</i> High  <i>General Timing</i> Regular training sessions for key client departments, regular communication and outreach  Onboarding training when new staff are hired  3-4 training sessions per year for years 1, 2, and 3  *All presentation/training session should be one hour in length.





Audience	Audience Description & Information Needs	Potential Level of Engagement & Timing
<b>Managers and Directors</b>	<p>Must know about the Sustainable Acquisition Program and understand how it may affect their team, the acquisition process, and potential budget implications</p> <p>Positioned as champions of the Sustainable Acquisition Program and provide support to their staff</p>	<p><i>Level of Engagement</i> High</p> <p><i>General Timing</i> 1-2 training sessions, some ongoing communication, periodic refresher training (e.g. once per year)</p> <p>Onboarding training when new staff are hired</p>
<b>V/CM Staff</b>	<p>Promote the Sustainable Acquisition Program to clients for demonstrating corporate results</p> <p>Work closely with client departments on procurements that meet the objectives of the Sustainable Acquisition Program</p>	<p><i>Level of Engagement</i> High</p> <p><i>General Timing</i> Regular training, ongoing communication, regular refresher training</p> <p>Onboarding training when new staff are hired</p> <p>2-3 training sessions per year for years 1, 2, and 3</p>
<b>Internal Support Groups &amp; Departments</b>	<p>These include the various departments who have a shared interest with the Sustainable Acquisition Program or can support implementation, including:</p> <ul style="list-style-type: none"> <li>○ ECSD</li> <li>○ Communications</li> <li>○ Human Capital and Development</li> <li>○ Ethics</li> </ul>	<p><i>Level of Engagement</i> High</p> <p><i>General Timing</i> Periodic training or presentations, ongoing communication, regular coordination meetings</p> <p>Onboarding training when new staff are hired</p> <p>1 or 2 presentations/training sessions per year</p>



Audience	Audience Description & Information Needs	Potential Level of Engagement & Timing
<b>External Stakeholders &amp; Advisory Groups</b>	External stakeholders (e.g. industry and Sustainable Council) who provided input on the Sustainable Acquisition Program and will want to hear program updates	<i>Level of Engagement</i> Low <i>General Timing</i> Digital communication; in-person workshops or forums For key sector groups: one in-person presentation per group On-going primarily web-based 1 or 2 presentations as appropriate
<b>Vendors</b>	The wide variety of businesses that sell to (or may sell to) Metro and who will need to address sustainable acquisition criteria in their bids	<i>Level of Engagement</i> Low <i>General Timing</i> Digital communication; in-person workshops or forums for strategic suppliers 4 workshops/presentations for vendors and potential vendors each year
<b>The Public</b>	Should know that Metro is using the Sustainable Acquisition Program and its purchasing power to generate positive social and environmental impacts	<i>Levels of Engagement</i> Low <i>General Timing</i> On-going digitally based training Energy & Resource Report



### 3. Primary Strategies

To ensure the greatest likelihood of generating the desired outcomes, the Communication and Training Plan proposes the following key strategies:

#### 1. Use a Variety of Communication and Training Tactics

From training modules and videos to printed and digital materials, the Plan features a variety of tactics and tools to ensure that training and communication meets the visual, auditory, written, and kinesthetic learning styles of a diverse audience.

#### 2. Conduct Regular and Ongoing Engagement

Audiences will be engaged in learning and communication through various activities sequenced over time. These include interactive training sessions, recognition and awards, storytelling opportunities, and orientation resources. Communication and training will be ongoing and build the knowledge and awareness of different audiences over time.

#### 3. Maintain Consistency with the Key Messages and Brand Standards

The Plan will adhere to Metro's brand standards while also ensuring a standardized aesthetic, several signature visuals, and a program tagline.

#### 4. Phase-In the Program to Build Knowledge and Competency

The Plan identifies five key phases of evolution that will gradually orient key audiences to the Sustainable Acquisition Program; allow them to learn more about the art/science of sustainable acquisition; and then lead them through the additional phases of practicing, mastering, and maintaining their proficiency in applying the tools and procedures within the Program and creating impact.



## 4. Key Messages

The following chart provides a summary overview of the high-level messages for the Sustainable Acquisition Program:

<b>Who is leading the Sustainable Acquisition Program?</b>	ECSD and V/CM are leading the Sustainable Acquisition Program, but everyone has a role in making it successful.
<b>What is the Sustainable Acquisition Program?</b>	The Sustainable Acquisition Program is designed to identify and address the relevant environmental, social, and ethical risks and opportunities when procuring goods and services.
<b>When is the Program happening?</b>	The Program will take effect upon Board approval in June 2019; implementation will take place over the next three years and beyond.
<b>What is sustainability?</b>	Sustainability means that Metro strives to preserve the environment and conserve natural resources, build social equity, promote fair labor practices, and promote growth.
<b>What does the Program apply to?</b>	The Sustainable Acquisition Program ensures that Metro considers sustainability during the acquisition process; especially those acquisitions that are of high value, high risk, or have high public visibility.
<b>Why is Metro doing this and what are the benefits?</b>	Metro has substantial purchasing power to influence and improve the social and environmental impacts of its acquisitions. The program addresses the environmental, social, and ethical responsibilities, social equity, and environmental stewardship expectations of the community in a balanced and measurable way. Sustainable Acquisition will help Metro to achieve the objectives of the Environmental Policy as well as the Strategic Plan, and it will help manage risks, save money, and drive innovation.
<b>How will the Sustainable Acquisition Program be implemented?</b>	The Sustainable Acquisition Program will be implemented by empowering staff through extensive training and communication to apply simple tools and procedures within regular acquisition processes.



## 5. Roles and Responsibilities

The table below summarizes the key groups involved in the implementation of this Communication and Training Plan and their respective roles and responsibilities:

Role	Sustainable Acquisition Program Communication / Training Responsibilities
<b>ECSD Leadership</b>	<ul style="list-style-type: none"> <li>Lead resource for Sustainable Acquisition Program implementation</li> <li>Co-develop the Communication Plan and leads its implementation</li> <li>Coordinate Metro-wide communication with Communication Department</li> <li>Lead staff member for delivering training presentations</li> <li>Directly support the end user on program implementation</li> <li>Point person for staff / internal inquiries</li> <li>Provide subject matter experts in Sustainable Acquisition and resource on trends and best practices</li> <li>Provide support staff for implementation of the Program; provide advice on staff engagement</li> <li>Recommend Sustainable Acquisition Program communication/training resourcing requirements</li> </ul>
<b>Vendor/Contract Manager Leadership</b>	<ul style="list-style-type: none"> <li>Co-manage with ECSD initiative roll-out, organizational planning, and capacity building</li> <li>Promote the Sustainable Acquisition Program to all groups within V/CM and clients</li> <li>Manage initiatives that support suppliers to improve their sustainability practices</li> <li>Identify opportunities for collaborative work within legal boundaries</li> <li>Point person for external vendor inquiries</li> </ul>
<b>Communications And Training Groups</b>	<ul style="list-style-type: none"> <li>Sign-off on Communication Plan</li> <li>Ensure all Program &amp; other communication initiatives</li> <li>Oversee production of communication and training materials</li> <li>Support rollout and implementation</li> </ul>



## 6. Measurement and Evaluation

Measurement and evaluation are critical to determine the success of the Sustainable Acquisition Program communication efforts. The monitoring and evaluation component of this Communication plan will focus on the answer to the following questions:

- Are staff following the processes described and outlined in the Sustainable Acquisition Program?
- Have we successfully increased the understanding of sustainable acquisition amongst all audiences thereby leading to desired behavior changes?

The following table summarizes the primary training and communication activities, the methods for evaluating success, and some potential targets and metrics to ultimately track performance.

Planned Activity	Evaluation Method	Metric / KPI	Year 1, 2 & 3 - Targets
<b>In-person staff training</b>	Attendance is taken at each training session conducted (e.g., attendees sign in)	Percentage of staff attending all training sessions based on their role	90%+ of V/CM Staff attend any required training sessions 70%+ Departments are represented by a Manager and/or Director at a training session 50%+ end users or staff in key client departments attend a training session
<b>Emails are distributed to key audiences on a specified schedule</b>	Track email distribution	Percentage of planned email distributions that occur	100% of planned email distributions occur on their specified schedule Open rate and follow-up (if any)



Planned Activity	Evaluation Method	Metric / KPI	Year 1, 2 & 3 - Targets
<b>Intranet Communication</b>	Track content updates	Yes/No . Program content is on intranet (enter date)	Program content is on intranet in (enter date) Number of contributors to stories (# of vendors, # of divisions, # of visits)
<b>Posters and Coasters are distributed around Metro offices and meeting rooms</b>	Track delivery	Yes/No - Program posters and coasters are distributed around Metro offices and meeting rooms	Program posters and coasters are distributed around Metro offices and meeting rooms
<b>Program Postcards are distributed to all internal audiences</b>	Track delivery of postcards	Percentage of audience business units in which staff have received the Program postcard	100% of business units that are also part of our audiences have received the Program postcards
<b>Website Program section</b>	Track content updates	Yes/No - Program content is on website by (enter date)	Program content is on website by (Enter date) Total number of website visits, amount of time visitors stays on the website, bounce rate (date, year)



The following table summarizes the primary desired **outcomes** of the Sustainable Acquisition Program Communication and Training Plan, the methods for evaluating success, and some potential targets and metrics to track performance.

Desired Outcome	Evaluation Method	Metric / KPI	Year 1, 2 & 3 - Targets
<b>All internal audiences know the basics of the Sustainable Acquisition Program</b>	Quizzes	Score of 80% or better represents success	80% of staff score 80% or better
<b>All internal audiences know how the Program will impact their role and responsibilities</b>	Conversation with Manager or Supervisor	Percentage of staff who can accurately describe their role in implementing the program	80% of all staff can accurately describe their role in making the program successful
<b>Staff at the operational level appreciate the value of the Program</b>	Quizzes	Staff can identify 4 out of 6 key benefits of sustainable procurement	80% of staff can score 4 out of 6
<b>Buyers have increased confidence to act as ambassadors for the Program</b>	Survey	Staff self-declare a rating of 4 or 5 on the 5-point scale	80% of applicable staff self-declare confidence in being able to promote the program internally or explain it to vendors
<b>Staff are willing and able to act as ambassadors for the Program to peers and external vendors</b>	Survey	Staff self-declare a rating of 4 or 5 on the 5-point scale	80% of applicable staff self-declare confidence in being able to promote the program internally or explain it to vendors





## **ATTACHMENT 3**

# **High-Impact Acquisition Opportunity List**

***Metro Sustainable Acquisition Program***

***APRIL 2019***



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# High-Impact Acquisition Opportunity List

## *Metro Sustainable Acquisition Program*

The purpose of the High-Impact Acquisition Opportunities list is to identify an initial list of products and services (10-20) that represent either high-impact or low-hanging fruit sustainable acquisition opportunities that could be prioritized during the early stages of the Sustainable Acquisition Program implementation process. This worksheet serves as a starting point to identify a list of High-Impact opportunities that can be pursued to generate momentum in the early stages of the program. The product or service categories identified for consideration were selected because of a potential risk or significant sustainability opportunity, or because progress has begun in this category and more opportunities exist, and/or it should continue to be a priority. This list will be refined over time as additional opportunities are identified.

### **Worksheet Organization and Structure**

Potential priority product and service categories are presented in Table 1 below, according to the following structure:

- Column A – Identification of potential products and services for the Sustainable Acquisition Program.
- Column B – List of relevant client departments.
- Column C – The criteria used for adding products to the list.
- Column D – Identification of some of the potential risks and opportunities for each of the products/services identified.

The products and services identified in Column A were flagged as potential High-Impact Acquisition Opportunities based on a set of criteria listed in Column C. The selection criteria terms are defined below:

- **High Volume/High Value** – Purchased in significant quantities across the organization, or in high volume by one area.
- **Environmental Risk/Opportunity** – Possesses a significant environmental risk or can contribute significantly to a reduced environmental footprint.
- **Social Risk/Opportunity** – Possesses a significant risk of social or ethical issues or provides an opportunity to add positive social value.
- **Significant Public Profile** – High real or symbolic value with the public or other stakeholders.



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- **Mature Market** – Proven quality and availability within the marketplace for an environmental product.
- **Third-Party Certification** – Recognized independent certification exists for the product.



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## 1. Priority Products and Services

A. Product/Service Description	B. Key Client Departments	C. Selection Criteria	D. Potential Risks / Opportunities
<b>Transit Uniforms</b> (Corporate Apparel, Transit Uniforms, Security Uniforms)	<ul style="list-style-type: none"> <li>Facilities Maintenance</li> </ul>	<ul style="list-style-type: none"> <li>High Volume/High Value</li> <li>Environmental Risk/Opportunity</li> <li>Social Risk/Opportunity</li> <li>Significant Public Profile</li> </ul>	<i>Risks:</i> <ul style="list-style-type: none"> <li>Sweat-shop labor</li> <li>Unfair labor practices</li> <li>Compromised company reputation</li> </ul> <i>Opportunities:</i> <ul style="list-style-type: none"> <li>Eco-fabrics</li> <li>Recycled content</li> <li>Fair trade cotton</li> <li>Small or disabled business enterprise</li> </ul>
<b>Office Furniture</b> (Chairs, Tables, Cabinets, Workstation Desks)	<ul style="list-style-type: none"> <li>General Services</li> </ul>	<ul style="list-style-type: none"> <li>Environmental Risk/Opportunity</li> <li>Mature Market</li> <li>Third-Party Certification</li> </ul>	<i>Risks:</i> <ul style="list-style-type: none"> <li>Packaging and waste</li> <li>Toxicity in foams</li> </ul> <i>Opportunities:</i> <ul style="list-style-type: none"> <li>Minimize packaging in contracts</li> <li>Design for repair and/or donation at end of life</li> <li>Non-toxic</li> </ul> <i>Potential Specifications:</i> <ul style="list-style-type: none"> <li>FSC certified</li> <li>Blue Angel certified</li> </ul>
<b>IT Equipment and Accessories</b> (Computers, Phones, Tablets)	<ul style="list-style-type: none"> <li>Information Technology</li> </ul>	<ul style="list-style-type: none"> <li>High Volume/High Value</li> <li>Environmental Risk/Opportunity</li> <li>Mature Market</li> <li>Significant Public Profile</li> </ul>	<i>Risks:</i> <ul style="list-style-type: none"> <li>Emissions/Air quality</li> <li>Impacts on environment</li> <li>Worker safety</li> </ul> <i>Opportunities:</i> <ul style="list-style-type: none"> <li>Eco-friendly</li> <li>Recyclable parts</li> <li>Low emissions</li> </ul>



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A. Product/Service Description	B. Key Client Departments	C. Selection Criteria	D. Potential Risks / Opportunities
<b>Concrete</b> (Material for Construction)	<ul style="list-style-type: none"> <li>• Program Engineering</li> <li>• Operations Engineering</li> <li>• V/CM - Construction</li> </ul>	<ul style="list-style-type: none"> <li>• High Volume/High Value</li> <li>• Environmental Risk/Opportunity</li> <li>• Significant Public Profile</li> </ul>	<i>Risks:</i> <ul style="list-style-type: none"> <li>• Greenhouse gas emissions in instant concrete</li> </ul> <i>Opportunities:</i> <ul style="list-style-type: none"> <li>• Eco-friendly materials</li> <li>• Lower greenhouse gas emissions</li> </ul>
<b>Fuels</b> (Diesel, Gasoline, Natural Gas, CNG)	<ul style="list-style-type: none"> <li>• Bus Operations</li> </ul>	<ul style="list-style-type: none"> <li>• High Volume/High Value</li> <li>• Environmental Risk/Opportunity</li> <li>• Significant Public Profile</li> </ul>	<i>Risks:</i> <ul style="list-style-type: none"> <li>• Greenhouse gas emissions</li> <li>• High impact on air quality</li> </ul> <i>Opportunities:</i> <ul style="list-style-type: none"> <li>• Continue to convert to low emissions</li> <li>• Natural gas/CNG</li> <li>• Electrical fuel</li> </ul>
<b>Chemicals</b>	<ul style="list-style-type: none"> <li>• Chemical Review Committee</li> <li>• Bus &amp; Rail Operations</li> <li>• Facilities Maintenance</li> <li>• Corporate Safety</li> <li>• V/CM – Supply Chain &amp; Logistics</li> </ul>	<ul style="list-style-type: none"> <li>• High Volume/High Value</li> <li>• Environmental Risk/Opportunity</li> <li>• Third-Party Certification</li> </ul>	<i>Risks:</i> <ul style="list-style-type: none"> <li>• Impacts on environment</li> <li>• Worker safety</li> <li>• Packaging</li> <li>• Safety &amp; storage issues</li> </ul> <i>Opportunities:</i> <ul style="list-style-type: none"> <li>• Eco-friendly chemicals</li> <li>• Bulk packaging/storage</li> </ul>
<b>Engine Oil</b>	<ul style="list-style-type: none"> <li>• Bus Operations</li> </ul>	<ul style="list-style-type: none"> <li>• High Volume/High Value</li> <li>• Environmental Risk/Opportunity</li> <li>• Mature Market</li> </ul>	<i>Risks:</i> <ul style="list-style-type: none"> <li>• Emissions</li> <li>• Impacts on environment and air quality</li> <li>• Worker safety</li> <li>• Chemical packaging</li> </ul> <i>Opportunities:</i> <ul style="list-style-type: none"> <li>• Eco-friendly chemicals in the engine oil</li> <li>• Recyclable packaging and labels</li> <li>• Continue to convert to low emissions</li> </ul>



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A. Product/Service Description	B. Key Client Departments	C. Selection Criteria	D. Potential Risks / Opportunities
<b>Cleaning Products</b> (Detergents, Surface Cleaners, Degreasers)	<ul style="list-style-type: none"> <li>• Chemical Committee</li> <li>• Facilities Maintenance</li> <li>• Bus Operations</li> <li>• Rail Fleet Services</li> <li>• Corporate Safety</li> <li>• General Services</li> </ul>	<ul style="list-style-type: none"> <li>• Environmental Risk/Opportunity</li> <li>• Mature Market</li> <li>• Third-Party Certification</li> </ul>	<p><i>Risks:</i></p> <ul style="list-style-type: none"> <li>• Toxicity issues (e.g. water contamination)</li> <li>• High-volume</li> <li>• Human health impacts</li> </ul> <p><i>Opportunities:</i></p> <ul style="list-style-type: none"> <li>• Eco-friendly/biodegradable</li> <li>• Local employment/contract opportunities</li> <li>• Encourage employment for people with disabilities</li> </ul> <p><i>Recommended Specifications:</i></p> <ul style="list-style-type: none"> <li>• EU Ecolabel Certified</li> <li>• Nordic Swan certified</li> <li>• Biodegradable</li> <li>• Does not contain REACH banned substances</li> </ul>
<b>Office Supplies</b> (Paper, Files/Folders, Pens)	<ul style="list-style-type: none"> <li>• General Services</li> </ul>	<ul style="list-style-type: none"> <li>• High Volume/High Value</li> <li>• Environmental Risk/Opportunity</li> <li>• Mature Market</li> </ul>	<p><i>Risks:</i></p> <ul style="list-style-type: none"> <li>• Packaging and waste</li> <li>• Toxicity</li> </ul> <p><i>Opportunities:</i></p> <ul style="list-style-type: none"> <li>• Minimize packaging in contracts</li> <li>• Non-toxic</li> <li>• High recycled content</li> </ul>
<b>Printing Services</b> (Letterhead, business cards, corporate reports and brochures, etc.)	<ul style="list-style-type: none"> <li>• Communications</li> </ul>	<ul style="list-style-type: none"> <li>• High Volume/High Value</li> <li>• Environmental Risk/Opportunity</li> <li>• Mature Market</li> </ul>	<p><i>Risks:</i></p> <ul style="list-style-type: none"> <li>• Eco-impacts of paper choices</li> <li>• Resource consumption</li> <li>• Toxic inks</li> </ul> <p><i>Opportunities:</i></p> <ul style="list-style-type: none"> <li>• High recycled content</li> <li>• Vegetable based inks</li> <li>• Carbon neutral printing</li> </ul>



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A. Product/Service Description	B. Key Client Departments	C. Selection Criteria	D. Potential Risks / Opportunities
<b>Irrigation Equipment</b>	<ul style="list-style-type: none"> <li>• Engineering</li> <li>• Maintenance</li> </ul>	<ul style="list-style-type: none"> <li>• High Volume/High Value</li> <li>• Environmental Risk/Opportunity</li> <li>• Significant Public Profile</li> </ul>	<p><i>Risks:</i></p> <ul style="list-style-type: none"> <li>• Water consumption</li> </ul> <p><i>Opportunities:</i></p> <ul style="list-style-type: none"> <li>• Water conservation</li> </ul>
<b>Buses</b> (Some work underway already; more potential in this category)	<ul style="list-style-type: none"> <li>• Engineering</li> <li>• Bus Operations</li> </ul>	<ul style="list-style-type: none"> <li>• High Volume/High Value</li> <li>• Environmental Risk/Opportunity</li> <li>• Social Risk/Opportunity</li> <li>• Significant Public Profile</li> </ul>	<p><i>Risks:</i></p> <ul style="list-style-type: none"> <li>• Emissions</li> </ul> <p><i>Opportunities:</i></p> <ul style="list-style-type: none"> <li>• Eco-friendly busses, relevant equipment</li> <li>• Recyclable parts</li> <li>• Low emissions</li> </ul>
<b>Non-Revenue Vehicles</b> (Some work underway already; more potential in this category)	<ul style="list-style-type: none"> <li>• Facilities Maintenance</li> </ul>	<ul style="list-style-type: none"> <li>• Environmental Risk/Opportunity</li> <li>• Significant Public Profile</li> </ul>	<p><i>Risks:</i></p> <ul style="list-style-type: none"> <li>• Environmental impacts relating to disposal</li> </ul> <p><i>Opportunities:</i></p> <ul style="list-style-type: none"> <li>• Opportunity for redirection of parts</li> <li>• Recyclable parts</li> <li>• Eco-friendly disposal</li> </ul>
<b>Bus Washing Stations</b>	<ul style="list-style-type: none"> <li>• Engineering</li> <li>• ECSD</li> </ul>	<ul style="list-style-type: none"> <li>• Environmental Risk/Opportunity</li> </ul>	<p><i>Risks:</i></p> <ul style="list-style-type: none"> <li>• High water consumption</li> <li>• Toxic cleaning products</li> </ul> <p><i>Opportunities:</i></p> <ul style="list-style-type: none"> <li>• Pilot innovative waterless or low water use wash systems</li> </ul>
<b>Bus Parts</b>	<ul style="list-style-type: none"> <li>• Engineering</li> <li>• Bus Maintenance</li> </ul>	<ul style="list-style-type: none"> <li>• High Volume/High Value</li> <li>• Environmental Risk/Opportunity</li> <li>• Mature Market</li> </ul>	<p><i>Risks:</i></p> <ul style="list-style-type: none"> <li>• Emissions</li> <li>• Impacts on environment</li> <li>• Worker safety</li> <li>• High impact on air quality</li> </ul> <p><i>Opportunities:</i></p> <ul style="list-style-type: none"> <li>• Eco-friendly parts</li> <li>• Low emissions</li> </ul>



## **ATTACHMENT 4**

# **Measures and KPIs**

*Metro Sustainable Acquisition Program*

*APRIL 2019*





**Metro™**

## **Measures and KPIs**

### ***Metro Sustainable Acquisition Program***

The purpose of this document is to present a set of possible program measures or key performance indicators (KPIs) to monitor and track progress on implementing the Sustainable Acquisition Program. These KPIs will primarily serve to inform staff and executives of program performance and progress towards achieving the three overarching program goals (see below). The results of progress monitoring can also be used in both internal and external reports (the annual *Energy and Resource Report*). Typically, organizations start with a small number of KPIs and expand the depth of their monitoring as their program becomes more sophisticated, and as automated systems to automatically track, collect, and code data become available.

**Goal 1.** Metro will build a best practice Sustainable Acquisition Program that aligns with established standards and is recognized within its industry.

**Goal 2.** Sustainability will be regularly and meaningfully incorporated within specifications or as an element of acquisition decision-making criteria.

**Goal 3.** Metro will see improved sustainable performance and positive social impacts as a result of acquisition activities, particularly in the areas of waste reduction and recycling, GHG reductions, energy efficiency, water, and resource conservation.

### **Types of Sustainable Acquisition Indicators**

1. **Activity Indicators** – Activity Indicators measure if an organization is actively using sustainability criteria to impact its supply chain decisions. This type of measure indicates to what extent procedures, resources, and knowledge are being used to effectively apply the Sustainable Acquisition Program directives.
2. **Outcome Indicators** – Outcome Indicators measure the environmental and/or social impacts that result from applying the Sustainable Acquisition principles to acquisitions. Outcome Indicators measure the extent to which the use of sustainability criteria in the selection of products and vendors results in improved environmental and social outcomes, such as using less energy, consuming fewer resources, reducing GHG emissions, or protecting human rights in the supply chain.

Activity Indicators are critical to the early stages of a program and it is common practice to focus on these in the first year of implementation. Outcome Indicators are frequently



harder to track and may require certain infrastructure, procedures, and/or training in order to accurately measure the outcomes. Outcome Indicators, especially those related to environmental objectives, are sometimes measured only on a project or specific procurement basis, as it can be too challenging to establish enterprise-wide baselines against which to measure. For example, purchasing more energy efficient LED lighting for rail line lighting may save energy and money, but there may not be an accurate baseline against which to measure such savings.



## 1. Potential Activity Indicators

	Indicator	What It Measures	Potential Measurement Tools	Potential Processes to Collect Data <i>(To be developed in Phase 2)</i>
1	<b>#, \$, % of bid solicitations issued to the market that included mandatory or desirable sustainability criteria in specifications</b>	The extent to which Metro is adopting SA practices	<ul style="list-style-type: none"> <li>File/contract tracker system for buyers that has a checkbox for any contract that should include sustainability</li> <li>Excel on shared drive or added to acquisition tracking software</li> </ul>	<ul style="list-style-type: none"> <li>V/CM tracks #, %, or \$ value (denominator is contracts managed by V/CM)</li> </ul>
2	<b>#, \$, % of contracts executed that include material sustainability requirements for the product or in the provision of a service</b>	How much of Metro's expenditure is on materially more sustainable products and services	<ul style="list-style-type: none"> <li>File/contract tracker system for buyers that has a checkbox for any contract that should include sustainability</li> <li>Excel on shared drive or added to acquisition tracking software</li> </ul>	<ul style="list-style-type: none"> <li>V/CM tracks #, %, or \$ value (denominator is contracts managed by V/CM)</li> </ul>
3	<b>Average weighting allocated to sustainability in RFPs</b>	How sustainability is evaluated in Metro's purchasing decisions	<ul style="list-style-type: none"> <li>Manual tracking of all solicitations must be done (resource intensive); stored in a central repository</li> </ul>	<ul style="list-style-type: none"> <li>Create a range of best practice weightings to measure against based on purchase categories, rather than one average number as some weightings are very low and some are high.</li> </ul>



	Indicator	What It Measures	Potential Measurement Tools	Potential Processes to Collect Data <i>(To be developed in Phase 2)</i>
4	<b>#, % of staff trained in Sustainable Acquisition principles or who have consulted Sustainable Acquisition Program resources</b>	Proxy to track knowledge and awareness of Sustainable Acquisition in the organization	<ul style="list-style-type: none"> <li>• Excel or other tracking repository</li> <li>• Existing training program; integrate into existing tracking system</li> <li>• Website analytics</li> </ul>	<ul style="list-style-type: none"> <li>• Each business unit would track its own progress and report centrally to V/CM or ECSD</li> <li>• Track visits to resources online</li> </ul>
5	<b>Communicate with #, % of suppliers on reviewing Sustainable Acquisition objectives that may be in solicitations</b>	How much Metro is engaging with suppliers on sustainability issues	<ul style="list-style-type: none"> <li>• Online or in-person registration for events or dialogues</li> </ul>	<ul style="list-style-type: none"> <li>• Agency tracks attendance at such events/track digital consultation on such events</li> </ul>

#### 4. Potential Outcome Indicators

	Indicator	Tools	Processes	Potentially Relevant Purchases <i>(Developed in Phase 2)</i>
1	<b>Cost Savings (\$)</b>	<ul style="list-style-type: none"> <li>• Total cost of ownership calculation worksheet/tool</li> </ul>	<ul style="list-style-type: none"> <li>• Calculated to determine best value or tracked over time</li> <li>• It may be useful to track cost savings more closely in the interest of furthering a business case for Sustainable Acquisition</li> </ul>	<ul style="list-style-type: none"> <li>• LED Lighting</li> <li>• Non-toxic chemicals/other materials (reduced disposal costs)</li> <li>• Refillable ink cartridges</li> </ul>



2	<b>Energy Use Reductions (kWh)</b>	<ul style="list-style-type: none"> <li>• Excel spreadsheets</li> <li>• Portfolio Manager software for buildings</li> <li>• Use of annual reporting from suppliers (require in relevant contracts)</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainability offices/departments are typically in charge of tracking</li> <li>• In some cases, V/CM supplies some metrics as inputs</li> <li>• Typically used for large scale projects such as building retrofits</li> </ul>	<ul style="list-style-type: none"> <li>• LED Lighting</li> <li>• HVAC equipment</li> <li>• Electronics</li> <li>• Appliances</li> </ul>
3	<b>GHG Emissions Reductions (tCO2 equivalent)</b>	<ul style="list-style-type: none"> <li>• Excel spreadsheets</li> <li>• Portfolio Manager software for buildings</li> <li>• Fuel consumption readings from fleets</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainability offices/departments are typically in charge of tracking</li> <li>• In some cases, V/CM supplies some metrics as inputs</li> <li>• Typically used for large scale projects such as building retrofits</li> </ul>	<ul style="list-style-type: none"> <li>• Fleet vehicles</li> <li>• Delivery/Courier services</li> <li>• Professional Services where travel is expected</li> </ul>
4	<b>Waste Reduction or avoidance (kg)</b>	<ul style="list-style-type: none"> <li>• Waste hauler data (require in contract)</li> <li>• Waste audit data</li> </ul>	<ul style="list-style-type: none"> <li>• Agency-Wide: ECSD tracks diversion, including reduced packaging (vendors could help as well)</li> </ul>	<ul style="list-style-type: none"> <li>• Waste hauling</li> <li>• Construction/demolition</li> <li>• Anything with substantial packaging</li> <li>• Food/catering</li> </ul>
5	<b>Paper Type and Use (e.g. Recycled content, Fibre source)</b>	<ul style="list-style-type: none"> <li>• Tracking requirement in office supplies contract</li> </ul>	<ul style="list-style-type: none"> <li>• Collect information from suppliers</li> <li>• Track volume and types of paper purchased</li> </ul>	<ul style="list-style-type: none"> <li>• Copy paper</li> <li>• Office supplies</li> <li>• Managed print services</li> </ul>
6	<b>Water Conserved (Liters or gallons)</b>	<ul style="list-style-type: none"> <li>• Tracking requirements in contracts</li> </ul>	<ul style="list-style-type: none"> <li>• Collect information from suppliers</li> </ul>	<ul style="list-style-type: none"> <li>• Landscape irrigation</li> <li>• Bus and Rail washing</li> <li>• Construction</li> </ul>