



Sustainability Purchasing Initiative:

A Study Assessing Interest in a Sustainability Purchasing Network to Grow Sustainability Purchasing in the Region

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Executive Summary

Sustainability purchasing has been identified as an international business trend¹ that will grow in importance over the coming decade, impacting the supply chain of companies and organizations worldwide. A number of organizations with operations in the Greater Vancouver Regional District (GVRD) are implementing sustainability purchasing policies, demonstrating evidence of this trend in B.C. Additionally, there is an emergent sustainability business sector in the GVRD that is developing capacity to meet these new demands for enhanced sustainability performance of services and products.

This report is an assessment of the views of sustainability purchasers, suppliers and institutions regarding a proposed sustainability network or resource to help build sustainability purchasing capacity in the region and provides an outline for a proposal that addresses these identified needs.

Typically when organizations set out to develop and implement sustainability purchasing policies there is little guidance or support for their efforts, as there is no one resource available to help them along this path. Anticipating that these needs and gaps would only grow over time and become a barrier to successful sustainability purchasing programs, three consultants prepared a proposal to conduct a scoping study to identify the needs and interest for a sustainability purchasing resource in the GVRD to fill this knowledge and capacity gap and thereby promote sustainability purchasing and the growth of sustainability enterprise in the region.

Twelve organizations provided funding for the initiative, representing the government, business, co-operative, labour and non-profit sectors.

The focus of the study was to test interest in, and support for, the concept of a “sustainability purchasing network”, that promoted the concept of sustainability purchasing, brought peers and newcomers together in a mutual learning support network, facilitated dialogue with suppliers and created a one-stop resource centre or clearing house of best practice, tools, case studies, etc.

The study defines sustainability purchasing as:

“selecting goods and services which promote a healthier community and environment by considering the costs as well as the environmental and social impacts of products and services through all stages of their lifecycle: from product/service development and manufacturing through product/service use and ultimately to the disposal of whatever remains of the product/service at the end of its useful life. This process is achieved by incorporating key environmental and social factors with traditional price and performance considerations in purchasing decisions.

Just as importantly, sustainability purchasing is not simply about paying a premium for product and service attributes which are aligned with corporate objectives or societal expectations. There will always be trade-offs when making purchasing decisions.

¹ See “Future of Corporate Social Responsibility” by Coro Strandberg at http://www.corostrandberg.com/pdfs/Future_of_CSR.pdf

Ultimately, sustainability purchasing aims to find a reasonable balance between economic, environmental and social factors in the decision-making process.”

The research was conducted from January to March, 2005. 44 interviews were conducted with 20 sustainability purchasers in the private, co-operative, non-profit and government sectors; 10 with sustainability suppliers in the private, co-operative and non-profit sectors; and 13 with representatives from governments, universities, business networks, non-profits and sustainability companies with a mandate and interest in promoting sustainability and sustainability purchasing throughout the Lower Mainland, referred to as institutions for the purposes of this study.

The study looked at the current status of sustainability purchasing efforts, challenges and barriers and views of the role and benefits of a sustainability purchasing network and concluded:

- Sustainability purchasing is recognized as a key component of advancing sustainability both within individual organizations and within the regional economy.
- Purchasing organizations are engaged in sustainability purchasing to varying degrees, but few, if any, feel they have advanced or comprehensive programming in this area while purchasing managers (professionals) express a need for support, information, tools and resources.
- Purchasers and suppliers identified a number of barriers within three broad categories: internal corporate barriers (e.g. lack of technical know-how); market barriers (e.g. pricing and product quality issues); and system-wide barriers (e.g. NAFTA limits on buying local).
- There are a variety of useful information sources, tools and resources that are being made available to the purchasing community via the institutional sector; however, there is no single source of information or gateway to this information.
- There are significant gaps in the existing array of sustainability purchasing information sources, tools and resources that are required by purchasers to be more effective; first-hand experience and specific implementation tools are lacking.
- Purchasers seek opportunities for collaborative engagement with suppliers for mutual problem-solving and to communicate their specific needs and interests while suppliers of sustainability products and services are keenly interested in seeing purchasers become more effective in this area so they can grow their markets.
- Suppliers frequently see a disconnection between existing corporate policy and their follow-through in actually purchasing sustainability products and services with competitive bidding processes. They are challenged by the demands purchasers are placing on them to meet triple bottom line objectives and are struggling to meet demand for sustainability products and services.
- Sustainability-oriented outreach associations have not yet moved to develop specific tools, information and resources to address these gaps.
- Purchasers, suppliers and institutions are keenly interested in collaborative models of capacity-building and problem-solving that are inclusive of all stakeholder groups.

- The potential exists for effective collaboration of sustainability purchasers to use their influence in the market to promote sustainability purchasing to others, develop the supply of sustainability products and services and help grow the social and environmental enterprise sectors.

The interview process concludes overall that there is strong support for a sustainability purchasing initiative to advance sustainability purchasing in the region; and that key roles for such a network include: information, research, education and training and joint problem-solving and collaboration.

The study next outlines a proposal to establish a regional sustainability purchasing network to meet these demands with the following potential purpose:

- Support purchasers in their efforts to improve their sustainability purchasing practices and outcomes;
- Promote the growth of sustainability purchasing; and
- Encourage the growth of social and environmental enterprises and technologies.

It is proposed that the network will be organized around the following three regional goals:

- Increase the effectiveness and efficiency of sustainability purchasing.
- Increase the size and scale of the sustainability supply sector.
- Increase the number of sustainability purchasers.

The proposal includes potential guiding principles, functions and activities and a home and management for the network, plus lists a number of key decisions and next steps to be taken by stakeholders regarding potential launch and implementation of a sustainability purchasing network, as follows:

- Step 1: Validate support for, and refine proposed purpose, goals, principles and membership of a sustainability purchasing network;
- Step 2: Review options and determine a preferred organizational 'home' for the network;
- Step 3: Determine participants for a task group which would advise on the development of a business plan.
- Step 4: Develop a project proposal and submit to potential funders.

The final report, compiling the results of the interviews, the analysis, and recommendations will be presented to a Sustainability Purchasing Strategy Workshop to be held June 22, 2005 for consideration by sustainability purchasing stakeholders. The results of the Strategy Workshop will be incorporated into the final scoping study report for distribution in July, 2005. Following the workshop and stakeholder input, study consultants will develop funding proposal(s) to secure resources to implement a sustainability purchasing network or resource, dependent upon the nature and degree of support from workshop participants.

1.0 Background

Organizations worldwide are making efforts to purchase products and services that are less harmful, or possibly beneficial, to local and global environments and socio-economic conditions. Referred to as sustainability purchasing, these activities are part of a broader movement towards more sustainable production and consumption practices. Because of their significant buying power, businesses, governments and not-for-profit organizations increasingly recognize that procurement can have direct social and environmental benefits through the improved environmental and social performance of organizations themselves, and indirect benefits such as a spur for social/environmental enterprise development throughout the economy.

Currently when organizations set out to develop and implement sustainability purchasing policies and programs there is little guidance or support for their efforts; and there is no one resource available to help them along this path. Anticipating that these needs and gaps would only grow over time and become a barrier to successful sustainability purchasing programs, three consultants prepared a proposal to conduct a scoping study to identify the needs and interest for a sustainability purchasing resource in the Greater Vancouver Regional District (GVRD or the region) to fill this knowledge and capacity gap and promote sustainability purchasing in the region and the growth of sustainable enterprise.

Twelve organizations provided funding for the initiative, representing government, business, co-operative, labour and non-profit sectors. Collectively, the sponsors represent the diversity of interests in sustainability purchasing in the region. (See Appendix B for a list of sponsors.)

1.1 Purpose of the Study

The purpose of the study, referred to as the Sustainability Purchasing Initiative, or SPI, is to conduct a high level assessment of sustainability purchasing in the region and beyond to determine the nature and degree of interest in – and benefit of – a network of sustainability purchasers focused on improving the sustainability purchasing performance of participating organizations and promoting sustainability purchasing to others, and thereby supporting the growth of a sustainability economy.

The draft vision of the initiative, developed by the consulting team, is to contribute to the creation of strong economies and healthy communities and environments through the growth of social and environmental enterprise; the commercialization of technologies, products and services that enhance society and the environment; the development of operational efficiencies for sustainability purchasers and suppliers; and the design of a replicable model that supports the growth of sustainability purchasing in other regions.

1.2 Study Scope

Given the high and rising interest in sustainability purchasing in the region, the triple bottom-line orientation of the initiative (i.e. social, environmental, and economic), and the stakeholder philosophy of sustainability (i.e. inclusive of government, business/co-operative, non-profit, labour and academic interests), the study took a broad perspective in its approach, seeking to

incorporate this range of views. Additionally, the study took the perspective that interests of both purchasers and suppliers should be taken into account as for sustainability purchasing to be successful, it is critical that the interests and capacities of both suppliers and purchasers be enjoined.

The focus of the study was to test interest in and support for the concept of a “sustainability purchasing network”, that promoted the concept of sustainability purchasing, brought peers and newcomers together in a mutual learning support network, facilitated dialogue with suppliers, created a one-stop resource centre or clearing house of best practice, tools, case studies, etc., and promoted sustainability purchasing to others throughout the region and beyond.

Purchasers and suppliers were asked to comment on their current efforts to implement and promote sustainability purchasing, barriers and opportunities, future plans and support for, and benefits of, a sustainability purchasing network. The study was also interested in the institutional views of governments and public interest organizations which have a broad mandate to support sustainability, corporate social responsibility and corporate sustainability, and sustainability purchasing. To this end, a number of interviewees were identified representing these interests to determine their support for the initiative and identify potential resources that could be made available for network startup costs, should such a development be supported.

1.3 Sustainability Purchasing Definition

Sustainability purchasing was defined as:

“selecting goods and services which promote a healthier community and environment by considering the costs as well as the environmental and social impacts of products and services through all stages of their lifecycle: from product/service development and manufacturing through product/service use and ultimately to the disposal of whatever remains of the product/service at the end of its useful life. This process is achieved by incorporating key environmental and social factors with traditional price and performance considerations in purchasing decisions.

Just as importantly, sustainability purchasing is not simply about paying a premium for product and service attributes which are aligned with corporate objectives or societal expectations. There will always be trade-offs when making purchasing decisions. Ultimately, sustainability purchasing aims to find a reasonable balance between economic, environmental and social factors in the decision-making process.”

1.4 Methodology

Research into the sustainability purchasing capacity gap (the lack of technical know-how) and interest in information resources and collaborative activity was conducted over January – March, 2005. A total of 45 interviews were conducted: 20 interviews were held with sustainability purchasers in the private, co-operative, non-profit and government sectors; 10 with sustainability suppliers in the private, co-operative and non-profit (social enterprise) sectors; and 13 with representatives from governments, universities, business networks, non-profits and sustainability companies with a mandate and interest in promoting sustainability and sustainability purchasing

throughout the Lower Mainland, referred to as institutions for the purposes of this study. (See Appendix A for a list of interviewees.) Some of the organizations were interviewed for their perspectives as both suppliers and purchasers and in a few instances organizations were interviewed as suppliers, purchasers and institutions where they also had a broad mandate and interest in promoting sustainability purchasing throughout the region.

Their input was compiled and analyzed for the purposes of deriving a set of conclusions and recommendations regarding the concept of a sustainability purchasing network or resource in the region. This analysis is the basis for a number of recommendations for further development and subsequent implementation of a sustainability purchasing network or resource.

The final report, compiling the results of the interviews, the analysis, and recommendations will be presented to a Sustainability Purchasing Strategy Workshop to be held June 22, 2005 for consideration by a group of approximately 20 funding groups and other sustainability purchasing stakeholders. The results of the Strategy Workshop, funded by Western Diversification, will be incorporated into the final scoping study report for distribution in July, 2005. Following the workshop and stakeholder input, study consultants will develop funding proposals to secure resources to implement a sustainability purchasing network or resource, dependent upon the nature and degree of support from workshop participants.

2.0 Study Results

2.1 Current Status of Sustainability Purchasing Efforts

A number of public and private sector organizations in the Lower Mainland are developing sustainability purchasing programs, the general purpose of which is to integrate ethical, social and environmental considerations into their purchasing decisions. At the same time a growing number of suppliers have been retooling their business practices to be more socially and environmentally responsible, or have emerged with a specific ‘mission-based’ focus. Additionally, a few organizations have identified the promotion of sustainability and sustainability purchasing as an organizational priority.

The following section provides a brief overview of the current status of sustainability purchasing in the region by examining the practices of purchasers and suppliers as well as scanning some of the existing outreach efforts by the institutional sector to promote and support the practice. Study participants represented small (as few as 3 employees) to medium (50 to 200 employees) to large operations (some over 1000 employees).

Purchasers

The study documented the views of a range of purchasing organizations including all levels of government, the private sector, crown corporations, cooperatives and not-for-profit organizations. The specific sectors represented within the study group included manufacturing companies, financial institutions, government procurement departments, property development companies, social and environmental service agencies, utilities and sport organizations. All of the organizations were engaging in the practice of ‘sustainability purchasing’ to at least a very limited degree.

Most organizations described sustainability purchasing as one of the key elements of their organizational ‘toolkit’ to advance their sustainability agendas; purchasing was often described as one of the key areas where organizations could ‘walk the sustainability talk’. A few organizations discussed broader objectives and believed that their own efforts at sustainability purchasing, coupled with the efforts of others, could significantly contribute to the development of a regional economy with a sustainability focus.

Some organizations self-identified themselves as being relative ‘novices’ in the area, describing their programs as ‘modest’ with their efforts focused on buying sustainability products such as recycled paper, fair trade coffee or more energy-efficient light-bulbs. Other organizations felt their programming was relatively advanced, but with the caveat that they tended to be strong only within certain realms of sustainability such as energy-efficiency, green buildings, ethical sourcing of clothing or supporting social enterprises. Almost every organization felt that they had significant progress to make in this area and were highly interested in learning more about where other organizations were having success and overcoming challenges.

Range of Practice

As discussed, the degree of practice ranged considerably within the study group from some consideration of ‘green’ attributes when buying typical office products to more advanced programs of supplier engagement framed by robust policy frameworks. Generally, organizational efforts fell within one of the four following approaches to sustainability purchasing:

1. Buying eco-labeled products or services with third-party certifications where available (e.g. eco-logo certified paper products) at a reasonably cost competitive price.
2. Buying according to internally generated product/service standards where external certifications may not be available or sufficiently customized for the purchasing organization (e.g. purchasing from suppliers that meet an organizationally defined ‘Supplier Code of Conduct’ or were aligned with organizational values).
3. Using a ‘Total Cost of Ownership’ approach that frequently resulted in the natural selection of more sustainable products/services based on an internal evaluation of a product’s costs over the its lifecycle (e.g. purchasing products with high unit costs but lower overall costs due to energy-efficiency, reduced waste or health/safety considerations).
4. Purchasing initiatives that combined one or more of the above processes that were selectively applied depending on the particular product/service that was being considered.

Suppliers

The study engaged suppliers representing a cross-section of sectors including: property management; timber products, hotels and resorts, promotional materials, printing and office supply services, courier services, organic foods and financial services. It canvassed the perspectives of traditional businesses that have integrated social and environmental values into their operations or established a niche sustainability product or service line, and of mission-based suppliers whose focus is to advance social or environmental improvement. All suppliers were actively engaged in developing their sustainability products and services and tailoring and

promoting them to the local marketplace. In some instances, suppliers' markets, beyond the region, included the United States, Europe and Canada.

Range of Practice

Many of the suppliers indicated that:

1. They are responding to increased consumer, organizational and corporate demand for social, environmental and ethical products and services by either 'greening' their products and/or starting up businesses specializing in emerging niche sustainability markets.
2. They are working to raise awareness of supply options that generate positive social and environmental outcomes and to increase sustainability purchasing within organizations.
3. They are endeavouring to deliver quality products in addition to social and environmental values so that sustainability products and services can be cost- and quality- competitive.
4. They participate in a number of sustainability procurement discussions and initiatives and are working to influence changes throughout the supply chain (for example, working with farmers, transportation companies, retail stores, etc.).
5. In addition to delivering sustainability products to the market place, they were also at an early or advanced stage of integrating sustainability principles into their operations.
6. They are finding creative ways to brand and market their businesses, building upon their sustainability values and in some cases measuring and telling the story of the triple bottom line impacts of their businesses.

Institutions

A number of organizations were interviewed to identify if there were any currently engaged in broad strategic efforts to advance sustainability purchasing in the region and to assist organizations improve their sustainability practices. Interviewees represented perspectives from government, trade groups or associations, academic institutions and sustainability organizations and collaborations, including two businesses with broad sustainability mandates.

The study found a number of discrete sustainability purchasing efforts are underway in the region focused at various target groups and with divergent goals and objectives, including information, education, funding, research and brokerage. While some resources are available to sustainability purchasers, there is limited coordination of efforts.

Common Efforts

The following efforts to support sustainability purchasing in the region are underway:

- Sustainable purchasing guide for SMEs (small and medium enterprises)
- Sustainable purchasing workshop
- Development of profiles/case studies
- Academic research
- Seed funding for sustainability purchasing demonstration projects
- Institutional research into possible roles to support sustainability purchasing
- Supplier/purchaser councils that provide suppliers' input into the Federal Governments' standing offer requirements for green purchasing, referred to as commodity councils
- Web-based portal connecting purchasers with social enterprise suppliers

Conclusion

The following general conclusions can be drawn regarding the current status of sustainability purchasing in the region:

- There is a broad range of sustainability purchasing practices amongst leading sustainability purchasers in the region from limited one-off efforts to broad sustainability purchasing programs. Most were in the early stages of implementing their sustainability purchasing policies or programs.
- Suppliers are actively developing and marketing their sustainability-oriented products and services and are promoting the concept of sustainability purchasing to procurers.
- Institutions are engaged in selective efforts to provide education, information, research, funding and brokerage targeted at diverse audiences.

2.2 Current Challenges and Barriers to Sustainability Purchasing

While some purchasers and suppliers interviewed are relatively recent recruits to the field, others have been developing their practice in this area for over a decade. Along the way they have all met with a variety of internal, market and framework challenges in their efforts to integrate sustainability into the supply chain, as identified in the tables below.

Purchasers

Without exception purchasers described their efforts at integrating sustainability considerations into the procurement process and supply as extremely challenging. Unanimously, they felt that there is significant room for improvement within their realm of current programming. While several specific external or market barriers to more robust programming were identified by purchasing organizations, most felt that there was ample room to improve their sustainability purchasing practices through focusing on internal issues first. Table 1 summarizes and categorizes the key internal and external barriers.

Table 1: Barriers to Sustainability Purchasing Identified by Purchasers

Barrier Category	Barriers
Internal Barriers	<ul style="list-style-type: none"> • Need for more information and technical ‘know-how’ • Lack of internal resources (human, technical and financial) to implement programs or policy • Insufficient organizational interest or commitment (policy) • Decentralized purchasing processes • Lack of accountability around program implementation • Difficulties in changing the lowest cost mindset • Difficulty integrating into management systems • Lack of resources for monitoring supplier performance • Need to educate end-users and get user acceptance • Fear of change • Time pressures on the purchasing process
Market Barriers	<ul style="list-style-type: none"> • Lack of choice in the marketplace • Lack of supplier awareness around the issue(s) • Concerns about pricing premiums • Concerns about product quality and warranty implications • Lack of independent validation of supplier claims
Framework Barriers	<ul style="list-style-type: none"> • Inconsistent definitions • Lack of accepted standards • Lack of clear product and service definitions • Potential free-trade concerns, especially around buying ‘local’ • Insufficient and incomparable environmental or sustainability related information

Suppliers

Suppliers identified many similar barriers to sustainability purchasing, though they also identified a number of capacity issues which limited their ability to satisfy purchasing requirements. Their barriers are categorized and presented in Table 2 below:

Table 2: Barriers to Sustainability Purchasing Identified by Suppliers

Barrier Category	Barriers
Corporate Barriers	<ul style="list-style-type: none"> • Inconsistencies between what is stated in corporate sustainability value statements and the practices of corporate purchasing departments • Lack of corporate organizational change programs (education, job performance rewards, tools, etc.) targeting purchasing departments

	<ul style="list-style-type: none"> • General lack of corporate awareness of supply options and limited time available to research these options • Demanding and complicated procedures that paralyze suppliers • While many RFPs have points for sustainability, few organizations weight sustainability attributes when evaluating suppliers; price remains key criteria • Lack of information and standards to ensure the credibility of sustainable products
Market Barriers	<ul style="list-style-type: none"> • Canadian consumers are generally less aware than Europeans regarding sustainability purchasing choices due in large part to government-supported television advertising • In some instances value-added products cost more • Difficulty delivering steady supply in certain markets • Competing demands just to deliver quality product and remain competitive • Misconceptions that sustainability products are always associated with higher costs and lower quality
Framework Barriers	<ul style="list-style-type: none"> • Limited access by small and medium sized businesses to sustainability certification programs • Lack of internationally recognized standards for impact measurement of sustainability purchasing choices • Lack of certification and accountability know-how • The North American Free Trade Agreement (NAFTA) which limits public sector purchases of products greater than \$25,000, with the exception of Aboriginal business, provides a barrier to local procurement

Conclusion

Key barriers to increased sustainability purchasing identified by both suppliers and purchasers include:

- Lack of technical know how
- Lack of organizational commitment and resources
- Cultural and attitudinal barriers, including misinformation
- Pricing and product quality issues
- Lack of sustainability options and awareness of options
- Lack of credible standards
- NAFTA limits on buying local
- Burden on suppliers to address sustainability requirements
- Difficulty delivering steady supply
- Competing demands on suppliers

Any effort to advance sustainability purchasing in the region will need to address as many of these barriers and challenges as possible and practical.

2.3 Sustainability Purchasing Vision and Network

All interviewees were asked for their comments on the draft vision of a Sustainability Purchasing Initiative (SPI) in the region; purchasers and suppliers, as the direct beneficiaries of sustainability purchasing improvements, were asked for their opinion on the merits and benefits of a collaborative effort to improve sustainability purchasing practices and promote sustainability purchasing to others.

Transition to a Sustainability Economy Vision

Interviewees were asked for their comments on the draft vision of the initiative, which, depending on the nature and degree of support, would be proposed as an overall framework for a Sustainability Purchasing Initiative, creating a context for future and long-term programming. The vision was described to interviewees as follows:

“The vision is to contribute to the creation of a sustainable economy and sustainable communities through the growth of social and environmental enterprise; the commercialization of technologies, products and services that enhance society and the environment; the development of operational efficiencies for sustainable purchasers and suppliers; and the design of a replicable model that supports the growth of sustainable purchasing in other regions.”

Purchasers

Purchasers were supportive of the vision and genuinely wished to see their organizations make a meaningful contribution to a more sustainable local economy and generally more sustainable world. They tended as a group to focus on sustainability objectives specific to their organizations, though recognized the relationship to broader societal change and improvement.

While the study found that institutions, suppliers and purchasers supported the vision in its broadest sense, their immediate focus is on practical steps to expand sustainability business/purchasing in the region. This requires a very practical strategy and series of activities such as could be coordinated by a sustainability purchasing network.

Suppliers

Suppliers, too, strongly supported the vision and the transition to a regional sustainability economy, believing that success would improve their position in the B.C. market. Some pointed out that they are caught up with efforts focused on profitability and realizing their value-added goals and that likely the vision could only be achieved over time. Indeed, realizing the vision will require behaviour, policy and production change.

Institutions

Institutions generally supported the vision, with the following comments:

- Make the focus on procurement more clear.
- Don't like “sustainable” as an adjective.
- Should be simpler, with focus on reducing footprint and creating jobs and generating financial benefits.
- Include global and local benefits.

The Sustainability Purchasing Network

Purchasers and suppliers were asked for their views of the idea of a regionally-based network that would be comprised primarily of purchasing professionals and sustainability managers from ‘purchasing’ organizations who would work together to advance the overall vision and collaborate on advancing best practices in the area of sustainability purchasing at the organizational level. The following sections summarize input from purchasers and suppliers on the concept of a network and its potential functions, management and resources. This is followed by input from institutions on their potential involvement in a network, and general thoughts on a potential home and resources for the initiative.

Purchasers

Purchasers were almost unanimous in their support for the concept of a sustainability purchasing network that would collaborate with a focus on the technical aspects of sustainability purchasing. They were particularly interested in information and resource-sharing. Many purchasers commented that they felt they were working in isolation and that knowing what others were doing would be beneficial from both a technical perspective as well as an ‘emotional’ perspective, helping to reduce the sense that they were not ‘swimming alone’.

Some indicated that because they operate globally, a regionally-based program may not serve all of their specific needs. None of the purchasing participants indicated that there are currently sufficient or centralized resources available to help them advance their programs.

Purchasers believed that the scope of activity should focus on research, information dissemination and networking; their interest is in significantly increasing the quality and effectiveness of current organizational efforts in the area of sustainability purchasing. Current leaders want examples of best practices and access to case studies, and they want to learn from their peers. They are also willing to coach and mentor new entrants into the field. New entrants are keen to learn from others and loath to ‘reinvent the wheel’; particularly when resources are scarce and there is constant pressure to ‘prove’ the business case. Purchasers see considerable value in working collaboratively and reaching out collectively to suppliers to send strong and consistent sustainability market signals. In addition, some purchasers expressed an interest in promoting the coordination of efforts that would encourage the development of social and environmental enterprises.

Table 3 summarizes the input from purchasers on the suggested functions and specific activities of a sustainability purchasing network.

Table 3: Functions and Activities of a Sustainability Purchasing Network

Function Area	Specific Activities
Research	<ul style="list-style-type: none">• Identifying best practices / case studies / cost-benefit analyses• Identifying products / services that have the ‘biggest payback’ or ‘quick wins’ from a social or environmental perspective• Identifying key performance indicators for programming

Information	<ul style="list-style-type: none"> • Posting and sharing best practices / case studies / cost-benefit analyses • Developing and maintaining a network website • Acting as a gateway to a searchable database of green / sustainability suppliers • Providing specific information on the environmental and social benefits (e.g. trees/energy saved)
Education and training	<ul style="list-style-type: none"> • Providing training sessions at the senior level (around the policy / business case) and operational level (around implementation and best practices)
Joint problem-solving and collaboration	<ul style="list-style-type: none"> • Coordinating and hosting 'Supplier Forums' that bring sustainability suppliers and purchasers together to problem-solve and collaborate • Organizing green / social product trade fairs • Organizing working groups that focus on particular product/service areas (e.g. commodity councils) • Coordinating and moderating electronic discussion groups • Developing strategies or proposals for coordinated network market influencing/ cooperative purchasing • Promoting the concept of sustainability purchasing to others • Strategizing around the idea of using their market power to support the growth of social and environmental enterprises

Suppliers

Suppliers were asked for their views on the value of a sustainability purchasing network and what roles or functions it could perform to help advance sustainability purchasing in the region. They indicated a strong interest in the creation of activities which would advance the overall practice of sustainability purchasing and thereby act as a catalyst for creating greater market demand for their sustainability products and services. Suppliers offered examples of successful practices and models that could be built on or replicated to advance to goals of such a network. These include the Social Purchasing Portal, BALLE BC (Business Association for Local Living Economies), London Remade (UK), and specific initiatives of the GVRD and UBC.

Suppliers were keenly interested in participating in, or supporting, a sustainability purchasing network and contributed the following ideas on possible roles and functions of such a network:

- Develop and maintain a list of sustainability purchasers and suppliers, including possibly an online marketplace of certified suppliers or an online brokerage service
- Provide information on best sustainability purchasing practices
- Host supplier / purchaser workshops to facilitate two-way exchange on broad purchasing issues and host commodity cluster (or sector specific) workshops to identify issues and solutions in particular commodity clusters
- Help develop sustainability footprint indicators to provide guidance for corporate reporting

- Provide incentives and celebrate best practices to continuously raise the bar and keep practices current
- Monitor and influence sustainability quality issues in the supply chain, including transportation, labour practices, etc.

In this list it is clear that suppliers support the interests of purchasers in their mutual desire for a resource that provides information on best practices, a directory of certified or qualified suppliers and venues for two-way exchange (supplier forums, commodity cluster workshops, and working groups or commodity councils). Suppliers go further in their vision of the network providing a capacity for online purchasing and brokerage.

Institutions

All institutional organizations indicated modest to significant support and interest in being involved to help establish a sustainability purchasing initiative, depending on their capacity and the eventual nature/model of the program. Institutions provided the following additional comments on the proposed initiative:

- Need to involve a group of leader companies representing both purchasers and suppliers who are committed to using their own purchasing policies to support the growth of the social and environmental enterprise sector.
- Should be provincial; engage the provincial government.
- Should identify a business champion/spokesperson.

Some institutions identified alternative names for the initiative, given their dislike of the use of the word ‘sustainable’ as an adjective:

- green and social purchasing.
- smart purchasing.
- responsible purchasing.
- strategic sourcing.

Options for a Network Home

Both purchasers and institutional interviewees were asked if they had any thoughts or advice on a likely home or sponsor for the network, such as an agency or organization that would act as a secretariat for the network, obtain and manage funding and coordinate activities. Neither purchaser nor institutional interviewees identified an obvious organization to take on the role of coordinating or acting as a secretariat for the network. Several organizations were mentioned on a ‘one-off’ basis, which fit into one of the following groups: traditional or sustainability business group, traditional or sustainability purchasing group, and sustainability non-profit, labour and academic organizations or government. Table 4 summarizes and categorizes the input.

Table 4: Options for a Network Home

Group	Potential Secretariat Organizations
Traditional business groups:	<ul style="list-style-type: none"> • Board of Trade • Chambers of Commerce • Canadian Manufacturer's Association • Canada Business Service Centres
Sustainability business groups:	<ul style="list-style-type: none"> • Canadian Business for Social Responsibility • Business Association for Local Living Economies (BALLE B.C.)
Traditional purchasing groups:	<ul style="list-style-type: none"> • Professional Logistics Institute • Senior Purchasing Executive Roundtable • Purchasing Managers Association of Canada • Crown Corporation Purchasing Group • BC Supply Chain Council
Sustainability purchasing groups:	<ul style="list-style-type: none"> • Terra Choice • Social Purchasing Portal • United Community Services Co-op
Non-profit, academic and labour sustainability organizations:	<ul style="list-style-type: none"> • Environmental Youth Alliance • Fraser Basin Council • Canadian Labour Congress Sustainable Communities Initiative • Centre for Interactive Research on Sustainability (CIRS)
Government sustainability initiatives:	<ul style="list-style-type: none"> • Greater Vancouver Regional District (Smart Steps program) • Sustainable Region Initiative Partners Committee • Public Works in Federal Government • Management Services in Provincial Government • Federation of Canadian Municipalities

The Fraser Basin Council was most often mentioned as a potential home of the initiative (five times). In their interview the Fraser Basin Council offered their services as a secretariat for the initiative (though they do not have internal resources to fund the initiative and would require management fees) and Myers Norris Penny, the consulting firm that manages the previously mentioned B.C. Supply Chain Council, offered meeting space, coordination and facilitation services under some circumstances.

While many thought there was no obvious home, a number of criteria were recommended, including:

- Regional.
- Non-political.
- Outside government.
- Credible in that role.
- Build on what already exists.

Given this input, it can be concluded that there are two options for the home of the initiative:

1. The creation of a new organization to sponsor the initiative; or
2. One of the previous organizations, such as the Fraser Basin Council, which meets the previous and possible additional criteria, could manage a sustainability purchasing initiative for a time (given availability of resources) and then either spin it off or continue to manage it as needed.

Potential Resources for the Network

Purchasers by and large did not identify themselves as taking a significant role in funding the creation or ongoing operation of the sustainability purchasing network. Some organizations expressed a willingness to pay user fees or membership fees to access technical information that would be provided for the group and believed this was a reasonable financial model for the network. Purchasers were not asked specifically if they saw their organization making a significant contribution to the creation and ‘ramp-up’ of the program.

Institutional interviewees were asked for their ideas on potential funding and other resources for the initiative. The following suggestions were proposed in terms of potential sources of funding:

- Western Economic Diversification
- BC Hydro
- Vancity Credit Union
- Environment Canada

In-kind resources were also offered by many of the institutions interviewed, including:

- Expertise and training
- Research students
- Promotion of the network
- Meeting space
- Leverage of business opportunities
- Resources/Tools/Models
- Best practice

Conclusion

Interviewees support the broad vision for a sustainability purchasing initiative to promote best practice in sustainability purchasing, support the growth of sustainability enterprises and thereby contribute to the creation of a strong economy and healthy communities and environment.

They are focused on the potential of a sustainability purchasing network to help advance sustainability purchasing in the region, creating opportunities for collaboration, joint problem solving, education and awareness, support for newcomers to sustainability purchasing and support for sustainability enterprises. Key roles for the network, based on input primarily from purchasers and secondarily from suppliers include: information, research, education and training, joint problem-solving / collaboration and membership outreach.

There is no obvious home for a sustainability purchasing network, though all wish to build on what already exists and ensure any sponsoring organization be seen as non-political and credible. Some resources could be mobilized for start-up and management of a sustainability purchasing network. There is no lack of interest in a potential sustainability purchasing initiative, particularly from purchasers and suppliers. Some institutions were particularly keen to support the initiative's growth and some preferred to await further information on form and function before commenting on their potential engagement.

Participants see enormous potential for the network to address a number of the key barriers and challenges facing purchasers and suppliers in their efforts to advance the practice of sustainable purchasing, particularly Internal, Corporate, Market and Framework barriers (see Section 2.2). However, it is recognized that suppliers and purchasers face other barriers, notably Framework barriers related to trade agreements and certification standards, and that a sustainable purchasing network, in and of itself, will have a limited ability to address these issues.

2.4 Overall Study Conclusions

Study participants strongly agreed with the premise that sustainable purchasing offers significant potential to advance the sustainability purchasing initiative vision of fostering regional sustainability through:

- the growth of social and environmental enterprise;
- commercializing technologies, products and services that enhance society and the environment;
- developing operational efficiencies for sustainability purchasers and suppliers; and
- designing a replicable model that supports the growth of sustainability purchasing in other regions.

Based on the research the following general conclusions can be drawn:

- Sustainability purchasing (in its various forms) is recognized as key component of advancing sustainability both within individual organizations and within a regional economy.
- There is a high degree of interest among purchasers, suppliers and institutions in advancing the overall vision and specifically advancing the practice of sustainability purchasing.
- Purchasing organizations are currently engaged in the practice to varying degrees, but few if any feel they have advanced comprehensive programming in this area.
- Purchasing managers (professionals) feel like they are working in isolation to implement policy or ad-hoc initiatives and definitely need and want support, information, tools and resources to be more purposeful and effective.
- There are a variety of disparate information sources, tools and resources that are being made available to the purchasing community via the institutional sector; however, there is no single source of information or gateway to this information.
- There are significant gaps in the existing array of sustainability purchasing information sources, tools and resources that are required by purchasers to be more effective; first-hand experience and specific implementation tools are lacking.
- Purchasers seek opportunities for collaborative engagement with suppliers for mutual problem-solving and to communicate their specific needs and interests.
- Suppliers of sustainability products and services are keenly interested in seeing purchasers become more effective in this area so they can grow their markets.
- Suppliers frequently see a disconnection between existing corporate policy and their follow-through in actually purchasing sustainability products and services with competitive bidding processes.
- Suppliers have some particular interests in continuing to monitor the growth in the social and environmental enterprise market and for communicating with purchasers. They would like to see the development of common standards for reporting the impacts of corporate programs. This will help mitigate corporate 'green wash.'
- Suppliers offered that a network would help to distinguish suppliers with values-based businesses as well as help them with their own internal CSR program development and implementation.
- Many suppliers are challenged by the demands purchasers are placing on them to deliver quality products with competitive pricing that also add social and environmental value. They seek opportunities for collaborative engagement with purchasers for mutual problem-solving and to communicate their specific needs and interests.
- Both suppliers and purchasers seek credible certification systems and processes that are affordable, reliable and standardized. Both groups would like to bring their transaction costs down in the implementation of, and response to, sustainability purchasing programs.

- Institutions are grappling with both implementing sustainability purchasing programs internally (in their role as purchasers) and fulfilling their outreach functions in this area (where it may be part of their mandate to promote sustainability business practices).
- Sustainability-oriented outreach associations have not yet moved to develop specific tools, information and resources to address the gaps described above. There is no obvious home for a sustainability purchasing initiative, though some resources exist for the launch and implementation of a collaborative network.
- Purchasers, suppliers and institutions are keenly interested in collaborative models of capacity-building and problem-solving that are inclusive of all stakeholder groups.
- The potential exists for effective collaboration of sustainability purchasers to use their influence in the market to promote sustainability purchasing to others, develop the supply of sustainability products and services and help grow the social and environmental enterprise sectors.

3.0 Proposal for a Sustainability Purchasing Network

With strong support for the concept of a sustainability purchasing network emerging from the research, the following section provides a preliminary overview of the purpose, goals, guiding principles, scope and function of the proposed sustainability purchasing network. This section concludes with some key decisions and proposed next steps.

3.1 Purpose

The purpose of the Sustainability Purchasing Network would be to:

- Support purchasers in their efforts to improve their sustainability purchasing practices and outcomes.
- Promote the growth of sustainability purchasing in the region.
- Encourage the growth of social and environmental enterprises and technologies in the region.

3.2 Goals

The proposed overarching goals for the Network include:

1. Increase the effectiveness and efficiency of sustainability purchasing in the region.
2. Increase the number of sustainability purchasers in the region.
3. Increase the size and scale of the sustainability supply sector in the region.

3.3 Guiding Principles

The following are some proposed guiding principles for the network:

- Collaborative
- Inclusive
- Representing a community of interests
- Replicable model
- Exists within an existing institutional structure
- Triple-bottom-line orientation
- Build on existing efforts

3.4 Membership

From a geographic perspective the scope of the network could be focused on British Columbia, Western Canada and/or perhaps the Pacific Northwest.

The primary participants (or members) of the network would be representatives from purchasing organizations and its functions would be focused on providing service to purchasing organizations and purchasing professionals representing these organizations. It is recognized that all institutions and suppliers are also purchasers (to one degree or another); the intention is not to restrict participation but rather ensure the focus of activities meets the needs of the primary audience.

Participants would come from a range of purchasing organizations including:

- Private sector businesses
- Co-operatives
- Business associations and networks
- Not-for-profits
- Governments (all levels)
- Labour organizations
- Academic institutions

3.5 Proposed Functions and Activities

The network's activities would be focused around five key functions: information, research, education and training, joint problem-solving and collaboration and membership outreach. The following summarizes some of the potential outputs of the network within these five functional categories.

Research

- Develop and maintain a research program on best practices, innovations, business case and key trends in sustainability purchasing.
- Conduct research on the environmental / social impacts of common products.

- Conduct research on members' needs for resources and assistance.

Information

- Develop and host a website that acts as a gateway to resources and related organizations, including database access to sustainability products and services.
- Publish regular reports and issue papers on sustainability purchasing matters.
- Publish an electronic newsletter on network and sustainability purchasing activities in the region.
- Convene regular sustainability purchasing forums for networking, collaborating and information-sharing.

Education and Training

- Provide both direct and on-line training courses for a variety of technical and non-technical audiences including:
 - i. Senior executives and management on sustainability purchasing policy issues and the business case
 - ii. Purchasing professionals on implementation, emerging trends and best practices
 - iii. End user groups on the product and quality assurance issues
 - iv. Non-technical audiences on the general topic of sustainability purchasing
 - v. Business school and professional program students with an interest in purchasing
- Promote the concept of sustainability purchasing to other organizations by developing and refining the business case, sharing it with other organizations and documenting the organizational and regional benefits accruing from the initiatives.

Joint Problem-solving and Collaboration

- Coordinate supplier forums on behalf of purchaser members that would assemble suppliers from a specific commodity / service cluster and create a forum for discussing expectations, innovations, concerns, challenges, opportunities and problem solving.
- Coordinate working groups that work specifically to advance issues or opportunities within certain commodity or service cluster areas.
- Organize sustainability product fairs to profile sustainability products and services.
- Moderate electronic discussion groups among participants.
- Develop collective purchasing programs to generate greater supply in priority commodity or service cluster areas (e.g. paper, apparel, electronic, fuels, etc.)

Membership Outreach

- Maintain a member recruitment program.
- Development of other specialized member services as identified.

3.6 Proposed Network Home and Management

The network would be housed within the structure of an existing organization (not-for-profit) that would act as a secretariat for the network. Management of the network and its activities would be conducted by one or more staff as determined by the requirements of the network and level of resourcing available. A specific home has not yet been identified as of yet but would ideally meet the following criteria:

- Regional
- Non-political
- Outside government
- Credible in that role
- Builds on what already exists.

The Fraser Basin Council was proposed by a few organizations and has expressed interest in performing the secretariat function. This will be further explored. No other organization has emerged as a potential candidate.

4.0 Key Decisions and Next Steps

The previous section provides a conceptual framework for the Sustainability Purchasing Network. In order to further develop and seek funding for the proposal, the following key decisions need to be taken and steps need to be implemented.

- Step 1: Validate support for, and refine proposed purpose, goals, principles and membership of a sustainability purchasing network;
- Step 2: Review options and determine a preferred organizational 'home' for the network;
- Step 3: Determine participants for a task group which would advise on the development of a business plan.
- Step 4: Develop a project proposal and submit to potential funders.

Appendix A: List of Interviewees

Purchasers	Suppliers	Institutions
<ul style="list-style-type: none"> • BC Government, Ministry of Management Services • City of Richmond • City of Vancouver • Western Diversification • Greater Vancouver Regional District • BC Buildings Corporation • Vancity Credit Union • Mountain Equipment Coop • BC Hydro • Vancouver International Airport Authority • Alcan Inc. • Vancouver Organizing Committee for the 2010 Olympic and Paralympic Games • Intrawest Corp. • Fairmont Hotels & Resorts • Creo • Public Works & Government Services, BC Region • Environment Canada, BC Yukon Region • David Suzuki Foundation • United Community Services Co-op • United Way of the Lower Mainland 	<ul style="list-style-type: none"> • Atira Property Management • Canadian Eco-Lumber Co-op • Fairmont Hotels & Resorts • Fairware • Hemlock Printers Ltd. • Mills Basics • Novex Courier • Pro-Organics • Social Purchasing Portal • Vancity Credit Union 	<ul style="list-style-type: none"> • Greater Vancouver Regional District • Public Works and Government Services Canada, BC Region • Sustainable Development Resource Institute, University of BC • Terra Choice • Canadian Business for Social Responsibility • Business Association for Local Living Economies • Environment Canada, BC Yukon Region • Vancity Credit Union • BC Supply Chain Council • Fraser Basin Council • BC Hydro • Western Diversification • BC Ethical Purchasing Group

Appendix B: Project Funders

We would like to gratefully acknowledge the contributions of twelve organizations in providing funding for this project.

- Alcan
- BC Buildings Corporation
- BC Hydro
- Greater Vancouver Regional District
- Hemlock Printers Ltd.
- Canadian Labour Congress Sustainable Communities Initiative
- Mills Basics
- Novex Courier
- United Way of the Lower Mainland
- Vancity Credit Union
- Western Economic Diversification Canada
- Vancouver Airport International Airport Authority