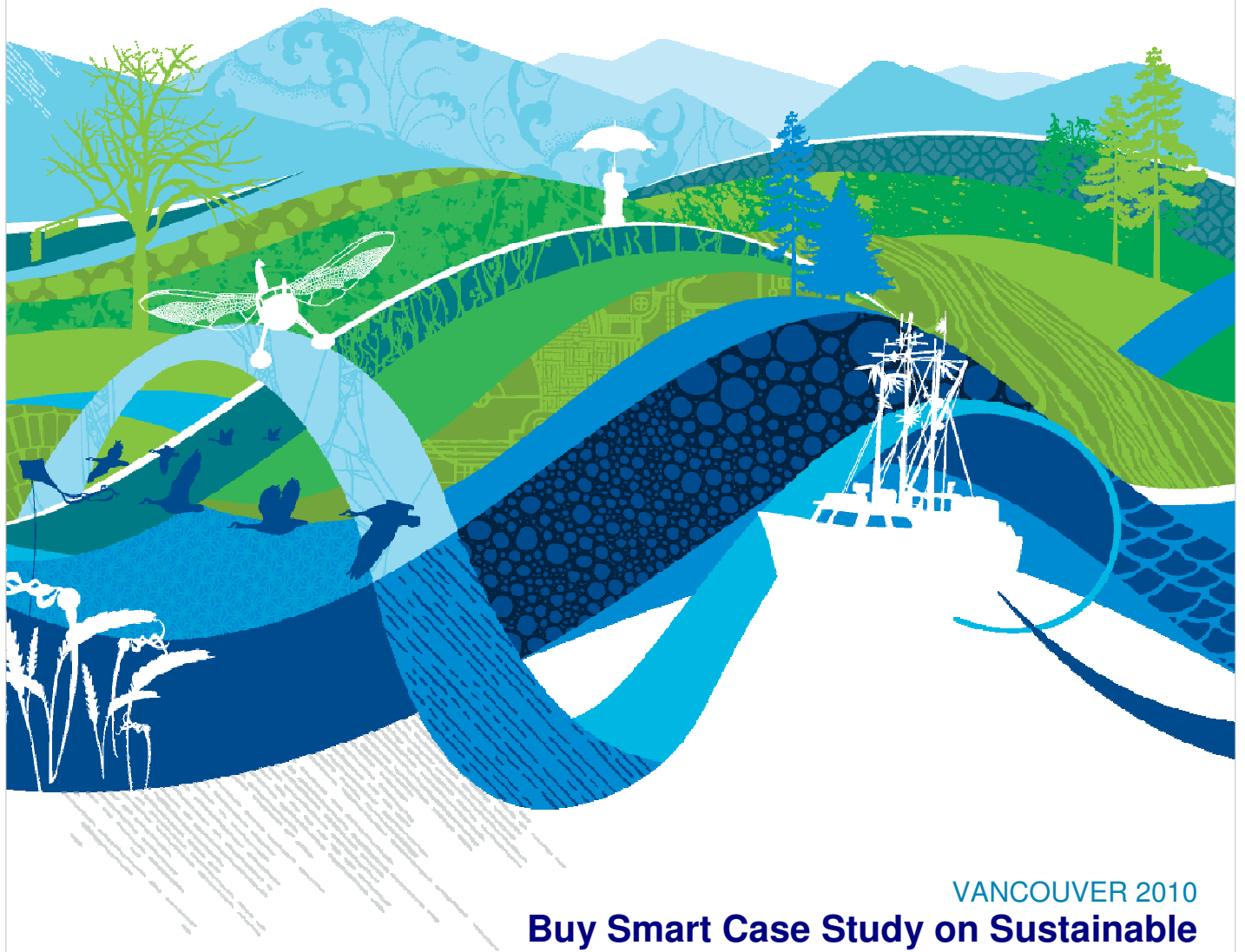




vancouver 2010



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PARALYMPIC GAMES  
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VANCOUVER 2010  
**Buy Smart Case Study on Sustainable  
Sourcing**  
March 2010



# Vancouver 2010 Buy Smart Case Study on Sustainable Sourcing

## Introduction

This is a case study of the Vancouver 2010 sustainable sourcing program, called Buy Smart. The objective is to provide an overview of the program, its history, benefits and impacts and lessons learned. It is written for future Games organizers and bid cities, current and future Games sponsors and partners and the purchasing community at large.

The Buy Smart Program was created in 2006 and evolved yearly, becoming fully implemented by 2009. When it was created, sustainable purchasing and ethical sourcing was in its infancy; there was little previous Games experience to guide the Vancouver Organizing Committee for the 2010 Olympic and Paralympic Winter Games (VANOC) and limited experience in the corporate or government sector to draw upon. Also, given that the Games constitutes a project entity of limited duration, the need to design, operate and then dismantle such a procurement program over five years was truly unique vis-à-vis most other organizations, which do not necessarily have a finite timeframe on which to build and improve their approach and which also have time to invest in longer-term partnerships for delivery. VANOC's tight timeframe necessitated that it identified its priorities early and focus its efforts on key deliverables to meet the program's goals. Accordingly, VANOC is pleased to share the results it was able to achieve under these unique conditions, with the hopes that future Games and other purchasing organizations are able to benefit from and build upon the experience profiled in this case study.

This case study is based on eighteen interviews conducted in fall 2009 with suppliers, licensees, NGOs, partners procurement and sustainability staff to inform the critical success factors, lessons learned, challenges and legacies sections of this case study. The findings were reviewed and updated in March 2010.

## Context (2003–05)

### Commitment

VANOC was the first winter games organizing committee to commit to integrating sustainability (social, economic and environmental) principles and practices into the planning, staging and legacy of the Games. VANOC was also the first organizing committee to adopt a sustainable and Aboriginal purchasing program. The context for this was established in the official bid to host the Games, which committed to integrating sustainability into the Games procurement system, one of many initiatives that would enable Vancouver 2010 to meet its sustainability objectives. The Vancouver 2010 bid also set the direction for including inner-city objectives into the Organizing Committee's purchasing program by stipulating — through the *Inner-City Inclusive Commitment Statement* — that economic opportunities for inner-city residents and businesses would be created. Aboriginal priorities were identified through a 2005 agreement with the Four Host First Nations, known as the VANOC-Four Host First Nations Protocol, in



which VANOC and the Lil'wat, Musqueam, Squamish and Tsleil-Waututh First Nations (on whose territories the Games were to be held) committed to build lasting economic opportunities and benefits and to advance economic development for First Nations via the Games experience.

The VANOC Board of Directors created a “home” for the sustainable purchasing program under Sustainability Policy, which also included (under Economic Benefits) commitments to “Factor sustainability considerations into procurement decisions” and to “Set social and environmental compliance requirements through [a] Licensee Code of Conduct”.

The board also adopted a Corporate Sustainable and Aboriginal Procurement Procedure and a Sustainable Licensing Code of Conduct Procedure — both of which called upon the Organizing Committee’s procurement and licensing teams to evaluate the sustainability and ethical practices of all Games suppliers and licensees. The Chief Financial Officer (CFO) had overall accountability for the supplier part of the program, while day-to-day management was addressed by the procurement director. The Vice President of Revenue, Marketing and Communications had overall accountability for the licensee part of the program with day-to-day oversight addressed by the licensing manager. In turn, VANOC’s Sustainability department was responsible for facilitating, advising and reporting on sustainable purchasing and licensing program performance with the procurement, licensing departments, Aboriginal Participation and finance departments. Through these accountability and reporting arrangements, sustainability principles became fully embedded into the purchasing decisions of all Games areas.

The Games had a venue development budget of \$580 million (CDN) and an operating budget of \$1.63 billion (CDN) for programs and activities required to prepare for and stage the 2010 Winter Games. The sustainable purchasing program applied primarily to a portion of the \$1.63 billion.<sup>1</sup> The Buy Smart Program did not apply directly to the value-in-kind received from sponsors or sponsor/partner purchasing. Rather initiatives through the Sustainability Sponsor Initiative and Vancouver 2010 Sustainability Star Program profiled sustainable innovations by official sponsors and partners.

## Program Development and Launch (2006–07)

### Best Practice Research and Consultation

VANOC began building its sustainable purchasing program in 2006. It researched existing models at the time, including that of the Hudson’s Bay Company (the official apparel and department store sponsor of the Games) and the City of Vancouver’s approach to ethical sourcing. VANOC also liaised with a local sustainable purchasing resource, the Sustainability Purchasing Network ([www.buysmartbc.com](http://www.buysmartbc.com)) (since renamed the Buy Smart Network), to better understand best practices. The Organizing Committee also took the step of hiring consultants with experience in sustainable purchasing to help develop the program. By year’s end, the

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<sup>1</sup> Purchasing related to venue development was influenced largely through VANOC’s commitment to realize economic development legacies together with the Four Host First Nations, and green building practices through application of Leadership in Energy and Environmental Design (LEED) standards, an international green building rating system, to Games venues.



VANOC Board of Directors adopted the “Sustainability and Aboriginal Procurement Procedure” as part of the organization’s overall Sustainability Management and Reporting System (SMRS).

Buy Smart operated in pilot mode for six months. After that time, VANOC engaged the Sustainability Purchasing Network to conduct a stakeholder consultation on the pilot program. Sixty-seven organizations, representing suppliers, labour, business, ethical sourcing and Aboriginal, environmental and community organizations, offered a series of recommendations to improve the program, most of which were accepted by VANOC—all of which were communicated back to the stakeholders.

## Outreach and External Market Engagement

In addition to consulting stakeholders in program design, VANOC realized that its ability to generate social, Aboriginal, ethical and environmental benefits from its purchasing efforts was dependent on engaging members of the supplier community and intermediary organizations. Consequently, from 2006 onwards, VANOC conducted extensive outreach with environmental business organizations, Aboriginal economic development organizations and inner-city and social enterprise groups to communicate its purchasing needs and to help build capacity among these non-traditional business sectors.

One of the stakeholder recommendations, gleaned from the Sustainability Purchasing Network’s consultation mentioned earlier, was to communicate information — with as much advanced notice as possible — of VANOC’s sourcing requirements. As a result, VANOC shared highlights from its master procurement list with the supplier community a number of times in addition to frequently reviewing its supply needs to identify potential buying opportunities that might benefit from social or environmental requirements.

Parallel to this effort, the Government of British Columbia, through its 2010 Commerce Centre established a database of suppliers interested in Games contracts ([www.2010commercecentre.gov.bc.ca](http://www.2010commercecentre.gov.bc.ca)).<sup>2</sup> Knowing VANOC’s sustainability commitments, the 2010 Commerce Centre created a data base that could search for sustainability criteria across the 5,000 suppliers. This feature assisted VANOC, sponsors and other purchasers to identify sustainability-aligned suppliers as sources for products and services, including businesses that were Aboriginal-owned and/or in the inner city.

In addition to these initiatives, both the federal and provincial governments hosted supplier workshops on Games opportunities where they communicated key information to the supplier community, including VANOC’s interest in sourcing from sustainability oriented suppliers and buying environmentally, socially and ethically responsible products and services. Prospective suppliers were encouraged to develop or enhance their internal sustainability programs, to embark on joint-venture initiatives or to sub-contract to high-value social enterprises and inner-city or Aboriginal-owned firms to enhance their chances of success in winning a VANOC-related bid.

Another aspect of VANOC’s external engagement was to conduct training for licensees around the Organizing Committee’s Licensee Code of Conduct. To this end, VANOC incorporated

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<sup>2</sup> The 2010 Commerce Centre is an initiative to help inform, educate and connect businesses to the opportunities of the 2010 Winter Games and to create lasting economic benefits for BC.



education and information on the conduct code into its regular meetings with licensees to ensure they understood the significance and features of the program.

*“VANOC’s Buy Smart Program gave us a challenge and that was good; it advanced us a great deal.” - Supplier*

*“It generated media interest in our business which has generated more business for us.” - Supplier*

## Internal Engagement

To advance its sustainable purchasing goals and foster inter-departmental coordination, the Organizing Committee established an internal Buy Smart Steering Committee, responsible for identifying procurement opportunities for sustainability suppliers (referred to as “high-impact procurement opportunities”), monitoring and reporting on Buy Smart progress and recommending program improvements. Co-chaired by the directors of the Procurement and Material Logistics teams, the committee also included representatives from the Sustainability and Aboriginal Participation departments, the director of budgets, and representatives of other Games departments as appropriate. At its meetings, the committee regularly scrutinized the “Master Shopping List for the Games” to identify opportunities with a high sustainability potential. These could be large contracts suitable for collaboration, such as trail construction at Whistler Olympic/Paralympic Park, or smaller purchases that could provide a Games-related opportunity to an inner-city business or social enterprise.

Members of the Sustainability and Aboriginal Participation teams also met with representatives of all 52 Games departments to inform them of the sustainable purchasing program and to identify upcoming sustainable purchasing opportunities; these were incorporated into an overall Sustainability Opportunities Register.

## Program Components

To fully implement VANOC’s sustainable purchasing commitments, sourcing tools and processes that optimized VANOC’s environmental, ethical, social and Aboriginal objectives were integrated with the organizing committee’s finance, procurement and licensing activities, while meeting VANOC’s financial and delivery requirements. They included:

### 1) Establishing and implementing VANOC’s seven Buy Smart goals:

- increased social, ethical and environmental performance within business operations
- growth of Aboriginal- and minority-owned businesses and the sustainable enterprise sector
- increased jobs for socially and economically disadvantaged groups
- higher performance venues and operations to support “excellent Games”
- support for the local and provincial economy
- increased sustainability purchasing, leading to innovation, trade and investment in the sustainability sector
- creation of a best practice model for sustainable purchasing



2) Establishing the Buy Smart Steering Committee for program oversight. (See section on Internal Engagement).

### 3) Supplier Sustainability and Aboriginal Performance Questionnaire

Prospective suppliers were required to complete an online questionnaire outlining their sustainability and Aboriginal participation attributes as part of their bid package. The questionnaire assisted VANOC in identifying sustainability leaders in a field of competing suppliers.

The questionnaire asked potential suppliers to provide detailed information about: their environmental programs; whether they were Aboriginal-owned or employed Aboriginal people; if they were located in one of Vancouver's three inner-city communities or employed inner-city residents; whether they were owned by, or employed, persons with a disability; and any other sustainability features of their respective businesses that they wished to highlight.

VANOC's evaluation criteria included a sustainability weighting, of between 10 and 25 per cent, in evaluating prospective suppliers. The actual weighting depended on the significance placed on sustainability attributes for the specific bid under review. Anecdotally, nearly half the contracts were awarded, in part, based on supplier sustainability performance. VANOC did not experience price premiums for adopting sustainability criteria in the evaluation process. A significant majority of suppliers filled out the questionnaire.

### 4) Limited Competitive Bid

Where there were acknowledged numbers of Aboriginal or inner-city firms with a capacity in a particular product or service area, VANOC established a limited competitive procurement process where only qualified Aboriginal or inner-city firms were invited to bid.

### 5) Direct Award

Under certain circumstances, VANOC "direct awarded" contracts to qualified companies in order to meet specific requirements, such as helping the Organizing Committee fulfill its economic development legacy agreements with Aboriginal First Nations and enterprises where the majority of ownership rested with Aboriginal entrepreneurs.

### 4) Licensee and Supplier Codes of Conduct For Social and Environmental Compliance

VANOC adopted two Codes of Conduct, one for licensees that produced Vancouver 2010-branded merchandise, and one for suppliers of Games-related goods and services. The licensee and supplier codes of conduct defined the minimum standards of ethical, social and environmental conduct for both groups. The goal of both codes was to ensure safe and healthy workplaces for the people manufacturing products on behalf of VANOC, including workplaces where human and civil rights conditions were based on or derived from core labour conventions of the International Labour Organization (ILO), and to identify where environmental practices met or exceeded regulatory requirements. VANOC required its



licensees and suppliers to indicate compliance with the applicable code of conduct as a contract stipulation (it was written into the service terms and conditions). The licensee and supplier codes covered matters including: freedom of association and the right to collective bargaining; the right to freely chosen employment; child labour avoidance; non-discrimination; wages and benefits; health and safety, and minimizing environmental impact.

VANOC secured the services of Intertek, a third-party auditing firm, to conduct on-site compliance audits of the factories contracted by the licensees to produce Games' merchandise. The audits were paid for by the licensees and the audit criteria was based on VANOC's Licensee Code of Conduct. The code stipulated that if licensee practices were non-compliant, a corrective action process was required to improve compliance; those which failed to become compliant over time risked losing their VANOC license. There were set criteria and a system against which to grade infractions. If serious issues unacceptable to VANOC were identified in the audit, licensees were given 90 days to improve their factory conditions prior to a re-audit to determine compliance. Some licensees were able to have VANOC-Intertek audits waived if they could demonstrate their own compliance program was similar in scope and rigor to VANOC's and their third party audits were conducted within six months.

For suppliers, Deloitte, a VANOC sponsor and professional consulting firm, conducted a "pilot" assessment of three suppliers, selected by VANOC, to test an assessment methodology and suppliers' compliance with VANOC's Code of Conduct. The pilot assessment tested review protocols including document review, interviews and observations. All three suppliers were found to be in compliance with VANOC's Supplier Code of Conduct.

*"It changed my attitude to sub-contractors to consider sustainability as a process of continuous improvement; it helped build my understanding of this area." - Licensee*

*"The program made a difference in the lives of factory workers." - Licensee*

## 5) Custom Specifications

In instances where important social or environmental objectives within a particular supply category were identified, VANOC buyers incorporated such specifications within their Expressions of Interest (EOIs), Requests for Proposals (RFPs) and Invitations to Quote (ITQs). Where not identified in advance, VANOC negotiated requirements with the successful supplier once the bid was awarded. For example, customized waste management plans for temporary fixtures were incorporated into the successful supplier's contract.

## 6) Supplier Sustainability Database and Outreach

The 2010 Commerce Centre, a VANOC partner, developed a comprehensive company database with a sustainability section for suppliers interested in doing business with VANOC. By fall 2009, about 80 per cent of the suppliers in the database of more than 5,000 had completed the optional sustainability section of their profile. Over 200 Aboriginal-owned businesses and over 340 inner-city businesses were registered in the database. The 2010 Commerce Centre, which built the database, also delivered six "Winning Strategy" workshops across the province to nearly 150 prospective VANOC suppliers, providing detailed information on the sustainability objectives of the Games. VANOC and the 2010 Commerce Centre also



hosted a number of RFP information sessions for potential suppliers in key product category areas which made reference to VANOC's sustainability priorities.

## Inner City and Aboriginal Activation

### Capacity Building

Whereas other Games had incorporated environmental elements into their purchasing programs, VANOC was the first to set purchasing goals with the objective of maximizing socio-economic benefits for Aboriginal people and inner-city residents and businesses. To that end, VANOC recruited Aboriginal and inner-city economic development specialist staff to help build out their efforts in this area.

VANOC developed its Aboriginal Procurement Strategy in 2006 and its Social Inclusion Procurement Strategy in 2007. The objectives of both initiatives were: to increase the number of target businesses securing contracts with VANOC or its suppliers; to increase the number of target residents/people working on VANOC contracts or other 2010 related contracts; and to inspire partners and sponsors to develop or enhance their social or Aboriginal purchasing practices.

VANOC adopted a policy to enable direct awards to inner-city or Aboriginal-owned businesses rather than asking them to follow the more onerous and competitive process associated with Requests for Proposals. Aboriginal and inner-city suppliers with known capacity were identified in the marketplace and directly engaged by VANOC's specialists. As opportunities were identified by the Buy Smart Committee or the Games departments themselves, the specialists proactively matched purchasing and licensing opportunities with the appropriate businesses or organizations.

Both relied extensively on intermediary organizations, which played an instrumental role in helping with outreach and capacity-building. In the Vancouver context, they included the 2010 Commerce Centre. VANOC also worked with the Buy Smart Network, previously the Sustainability Purchasing Network, the Building Opportunities with Business Inner-city Society (BOB), Enterprising Non-Profits and accessWORKS, which provides assistance and outreach to inner-city businesses, social enterprises and businesses owned and operated by people with a disability respectively. On the Aboriginal side, a number of economic development organizations helped VANOC connect to the Aboriginal marketplace. See the 2010 Aboriginal Procurement Strategy Case Study on [www.vancouver2010.com](http://www.vancouver2010.com).

Proactive opportunity identification, marketplace awareness, intermediary outreach and capacity building were instrumental in helping VANOC achieve its Aboriginal participation and social inclusion procurement goals.

*"I came away inspired by the Buy Smart program; it stepped up in ways that were unexpected and unanticipated and helped spawn a new way of looking at inclusion." - Intermediary*

*"The precedent has been set for the integration of social values into procurement." -Intermediary*





## Sponsor and Partner Sustainable Purchasing Activation (2008–09)

### Knowledge Sharing and Legacy

From the outset, VANOC was committed to sharing its experience and promoting sustainable purchasing practices with others, particularly its corporate sponsors and government partners. It hoped its experience could inform others interested in travelling the sustainable purchasing path, with the goal of increasing sustainability purchasing, leading to innovation, trade and investment in the sustainability sector.

In 2007 and 2008 VANOC held a number of “webinars” and roundtables with its official sponsors and partners to provide education about sustainable purchasing and to discuss collaborative opportunities in specific areas such as carbon-responsible purchasing, ethical sourcing, Aboriginal purchasing, social and environmental purchasing. VANOC developed a business directory of Aboriginal firms and social, inner-city and disability owned firms which it made available to sponsors and partners in addition to distributing a “checklist” to partners and sponsors on the benefits and opportunities of sustainable purchasing.

Resource materials and guides were provided to sponsors and partners to help them advance their sustainable purchasing practices. To further raise awareness of sustainable purchasing benefits and outcomes, VANOC profiled sustainable purchasing innovations of sponsors and partners through an initiative known as the “Sustainability Star” program, a juried application process by which sponsor and partner sustainability innovations that generated measurable social, environmental and economic benefits were selected and publicly highlighted. One example to highlight, where a sponsor was inspired by VANOC’s Buy Smart program in the area of sustainable purchasing, applied to Jet Set Sports, the hospitality services sponsor. Uniforms, printed material and gifting were all sustainably sourced because Jet Set made a conscious effort to adopt sustainability criteria in its Games-time procurement. For its efforts, Jet Set received a Sustainability Star. Birks & Mayors, jewellery sponsor of the Games and another Sustainability Star recipient, replicated VANOC’s approach to ethical sourcing and established its own supplier code of conduct, creating a further Buy Smart legacy that will live on beyond 2010.

VANOC also provided Buy Smart “transfer of knowledge” sessions with London 2012, Sochi 2014 and through two seminars on Sustainable Sport and Events with the International Academy of Sport Science and Technology in Vancouver and Lausanne, Switzerland.

### Tracking and Reporting

VANOC reported on its sustainable purchasing, licensing and business development performance in its annual sustainability reports. To help in reporting, an identification and tracking system for Aboriginal and inner-city contracts was established and a field was created in the database where a supplier could be identified as being part of a priority population segment.

Regular disclosures in VANOC’s sustainability reports included the:

- number and percentage of suppliers that met Canadian human rights standards



- the number of licensee audits and corrective action plans for continuous improvement and the number of audits by country
- the number and value of Buy Smart program contracts and the percentage of total value of VANOC contracts
- the percentage of spending with locally based suppliers in the Games region (specifically Metro Vancouver and the Sea to Sky corridor)

## Results and Impacts

VANOC's experience incorporating sustainable and Aboriginal participation attributes into its Games procurement has generated a number of notable impacts, including:

- **Inner City Social Enterprise:** Between 2003 and summer 2009, VANOC spent \$1.2 million (CDN) directly with 15 inner-city businesses and organizations that generate social benefits such as jobs and training for the employment disadvantaged in areas such as catering, office suppliers, lost and found claims services, translation services, training program administration, bouquets for the Victory Ceremonies of the Olympic and Paralympic Winter Games, event space, printing and janitorial services.
- **Aboriginal Business:** Between 2003 and summer 2009, the value of VANOC actual spending with Aboriginal businesses amounted to \$56.7 million (CDN). A prime example involves is the Lil'wat Nation, which partnered with an established local company to form Resource Business Ventures (RBV). RBV initially received a number of site preparation contracts. These, in turn, were followed by a multi-million dollar contract to build major infrastructure at the Whistler Olympic/Paralympic Park venue site, including the biathlon stadium, competition trails, roads, bridges, underground services and compounds.
- **Environmental Features:** VANOC did not establish a tracking system to assess the degree of incorporation of environmental features into its procurement program. However, a number of notable environmental benefits were leveraged through Buy Smart, including compostable service-ware for the Olympic and Paralympic Villages in Vancouver and Whistler, non-toxic cleaning supplies, non-Styrofoam packaging for anti-doping kits and waste management plan requirements for suppliers with contracts to construct and decommission temporary fixtures.
- **Ethical Sourcing:** Licensee audits were conducted from 2006–10. In the 2008–09 reporting year, 85 licensee audits were conducted and reported to VANOC. Stemming from those audits, 74 corrective action plans for continual improvement were initiated and 12 factories became compliant after completing corrective actions.

*"One of the highlights of the program is my own transformation. I have more of an awareness of what sustainable purchasing is, what it can do and the benefits." - VANOC procurement team member*

*"We found unique and innovative products and services and became aware of new products that were available." - VANOC sustainability team member*



*“From a VANOC perspective our ethical sourcing program gave us a comfort level so we could sleep at night, knowing that our merchandise was produced under ethical conditions.” - VANOC procurement team member*

## Critical Success Factors / Challenges / Lessons Learned

VANOC’s experience identified a number of critical success factors for a Games-based sustainable purchasing program, as follows.

### Critical Success Factors

#### Internal

- **Commitment:** It was important to ensure there was formal organizational commitment from the organization’s senior leadership with ongoing support for Buy Smart. VANOC’s senior leadership and those with direct oversight were accountable and committed to the success of the program. The executive needed to have broad accountability for achieving results across the organizing committee. It helped that sustainability was an inherent bid commitment, a strategic business objective and one of the organization’s five core values.
- **Goals and Objectives:** The goals and objectives of Buy Smart were clear, achievable and measurable.
- **Early Implementation:** A commitment to sustainable purchasing was incorporated into the Games bid phase and expectations were communicated early. Sustainability was built into the foundations of the procurement department as it was being established. Target audiences, such as the inner city, social enterprises, environmental and/or Aboriginal businesses, were identified early.
- **Tapping Into Other Existing Resources:** Other organizations, sponsors and partners with existing programs had much to offer to help enhance and achieve sustainable sourcing goals. Intermediaries, non-profits, sustainable purchasing organizations and internal sustainability staff were essential allies in this collective process.
- **Dedicated Resources:** Having designated staff with responsibility for priority areas, such as environmental, social, ethical and Aboriginal, helped to ensure the necessary resources were in place from the very beginning. Having specialist sustainability advisors on staff and contracted was also important from a human resources perspective to support sustainability decision-making within the procurement process.
- **Engage Business Functions and Identify Key Opportunities:** Games departments that engaged early were able to plan and deliver better results. Functional business plans identified and documented sustainable procurement opportunities and needs. This, coupled with regular meetings of the Buy Smart Steering Committee with staff from the 52 Games departments, helped identify and facilitate transactions for high- value opportunities.



- **Interdepartmental Coordination:** The Buy Smart Steering Committee was an important planning and monitoring body. The interdepartmental committee was established to support planning, implementation and monitoring of Buy Smart. It convened every 6 to 8 weeks, identifying high-value opportunities, influencing procurement and contracting decisions and articulating key sustainability specifications. The committee served as an important forum for identifying opportunities and resolving problems.
- **Awareness and Training:** Ongoing awareness-raising with staff across the organization was important, especially with so many new hires occurring so quickly over time. Concrete examples and stories to inspire people with early wins sent the message to all staff that VANOC was committed to sustainable purchasing and that all staff responsible for sourcing decisions could contribute to VANOC's overall goal. Key staff, such as those within the areas of procurement and finance, received training on how best to implement the program,
- **Develop Embedment Tools:** Sustainability specifications and attributes were incorporated into ITQs and RFPs, along with information as to how sustainability would be evaluated and weighted in decision making. A range of 10 to 25 per cent was incorporated into the evaluation process.
- **Tracking and Monitoring Systems:** Early tracking and reporting provided important performance information and allowed for mid-course corrections by program managers and directors. Quarterly reports were provided to VANOC's executive and board.
- **Supplier Monitoring and Compliance:** Supplier monitoring was conducted through annual reporting. In addition, a supplier assessment approach was piloted, the latest element in the overall approach.
- **Continuous Improvement and Celebration:** Regular monitoring (quarterly and annually) prompted opportunities for mid-course correction and continual improvement. Audit and assessment reports also prompted improvement tactics and strategies. Recognition of staff, suppliers and licensees through internal and workforce communications and external reporting, web-based communications and media relations were all used to profile and celebrate examples of performance with strong environmental, social and Aboriginal performance.

## External

- **Early Communication:** Providing early information to suppliers about the sustainable purchasing criteria and opportunities helped to support the program's performance. VANOC and its partner organizations, incorporated sustainability information into supplier workshops and information sessions.
- **Outreach and Intermediary Engagement:** Conducting outreach to the marketplace to support responses to procurement opportunities with high sustainability value was critical in ensuring viable proposals could be submitted for consideration. Enabling organizations served as important intermediaries and brokers between VANOC and suppliers with business interests among Aboriginal businesses, inner-city or social enterprises and environmental communities.

- Supplier Training and Networking: Convening supplier training provided knowledge, networking and joint-venture opportunities.
- Lead Time: Providing sufficient lead time for suppliers that needed to source special sustainability oriented products and partners facilitated successful bids.
- Create Small Contracts: Unbundling large contracts, where appropriate, allowed for joint-venture opportunities and the participation of small, high-value suppliers.
- Database: Creating a database of sustainability oriented and high-value suppliers provided an important resource for buyers.

VANOC and the supplier community experienced a number of challenges in building and deploying the Buy Smart program. It is important to recognize, however, that some of the challenges are a function of the unique Games context.

*“VANOC’s openness to consultation on the program and willingness to amend the program as a result was a real strength.” - NGO representative*

## Challenges

- Time constraints:
  - Building the program when VANOC had already begun purchasing supplies and services was, at times, a challenge.
  - The short-term nature of the Games project limited the ability for comprehensive monitoring, corrective action and capacity-building among members of the supply chain. Supplier relations were short term, limiting VANOC’s ability to capitalize on those relationships to improve sustainability performance.
- Workload:
  - The additional work created for the procurement team in planning, tracking, managing and reporting on the program was onerous given the high volume of regular procurement management activities.
  - For some, the sustainability questionnaire was long and difficult to respond to, particularly those vendors who were not familiar with the application of sustainability in business.
  - Given the scale and volume of the Organizing Committee’s procurement activities, it was challenging for sustainability staff to systematically monitor sustainability-related procurement activities.
- Supply Chain Capacity:
  - VANOC did not have the resources to conduct extensive on the ground monitoring and capacity building of its supply chain. As contractual relationships are short term VANOC focused on supplier and licensee screening, compliance programs, corrective actions and reporting. This was deemed an important step in stimulating the marketplace to be responsive to

new sustainability requirements. Enduring organizations have the ability to invest and establish long-term relationships and undertake performance management initiatives in the communities and countries where manufacturing and production occur.

- Product issues:
  - Balancing one sustainability attribute over another required practical evaluation with the department buying the product and service and the Buy Smart Steering Committee. Many times it was difficult to incorporate all the sustainability values into each procurement decision.
  - Some of the desired products required by VANOC were not available in Canada.
  - Time constraints in sourcing the desired product/s to meet Games-time requirements.
  - Not all staff involved in buying goods and/or services were aware of product innovations that could help advance VANOC's sustainability objectives.
- Contract scale:
  - The scale of many of VANOC's contracts limited the ability of smaller suppliers with high-value social or environmental attributes to participate.
- Monitoring:
  - A risk-based approach to identifying candidate suppliers for tracking and monitoring (such as the risk/s posed to the organization, key areas of supply, etc.) requires rigour and resources — both in short supply in the last 18 months of the Games.
  - There were limited resources available to validate questionnaire authenticity and accuracy nor was there any recourse if a company did not complete the questionnaire.
- Scope:
  - A significant portion of VANOC supply was provided through “value-in-kind” (VIK) by official sponsors. The Sustainability Star program, designed to recognize those sponsors and partners providing sustainable VIK, was one means of influencing these stakeholders. Future Organizing Committees should consider sustainability sourcing criteria along with sponsorship proposals by candidate.
  - A master procurement list that can be easily filtered from the tracking system would support early notification in the marketplace.

The following is a list of additional lessons learned or deeper reflections on opportunities for other Games, sporting events, sponsors or purchasers who may wish to follow a similar path.

## Lessons Learned

### Internal

- Include sustainable sourcing goals in staff performance objectives to foster uptake.
- Ensure the Buy Smart Committee is representative of the departments directly involved in the procurement management process.
- On the procurement team, dedicate a full-time staff member to sustainable procurement.

- Be strategic in identifying opportunities for “dark green” or “deep” social benefits in the early stages; work with the relevant departments from the outset to overcome challenges on a few key contracts; identify opportunities that can enhance social or environmental benefits, and not just the budget.

### External

- Develop a comprehensive supplier engagement program with partner organizations.
- Provide guidance to suppliers as to how the code of conduct can be tailored to different-sized companies across sectors (example: manufacturing vs. service companies).
- Emphasize the weighting value attributed to sustainability performance to suppliers to help the suppliers gauge the effort to put into their submission.
- Ensure sustainability plans are part of supplier contracts to ensure performance.
- Stakeholder engagement provides valuable input, validation and feedback on the program.

*“Functional [functional department] planning needs to incorporate sustainability commitments into its planning early on. By the time it gets to procurement, it is [too] late in the process.” - VANOC procurement staff*

*“Don’t reinvent the wheel. Use the resources available, such as internal sustainability staff.” - VANOC procurement staff*

*“It’s a three-way partnership between the end-user, buyer and the Sustainability function. It requires a team effort to get the sustainability results you are looking for.” - VANOC procurement staff*

### Legacies

Olympic Games are relatively short-term projects by their nature, yet take a decade to plan, win and deliver. In addition to hosting “great Games,” they can leave positive community legacies, including:

- Enhanced supplier sustainability:
  - Improvement in suppliers’ environmental and social practices and their ability to source environmentally and socially responsible products; sustained influence on the supplier business models, advancing the incorporation of sustainability considerations into products, services and overall firm performance.
  - Supplier product innovation and learning.
  - For suppliers, additional business generated through media interest in the sustainability stories.
  - Database of suppliers with sustainability attributes.



- Improved social and environmental outcomes:
  - Inspiring community benefits are achieved at the individual level (VANOC example: disadvantaged women were trained and employed as a result of a VANOC contract with a social enterprise).
  - Enhancement of community and provincial programs promoting the economic inclusion of persons with disabilities.
  - New ways of looking at inclusion for the social sector can be created through opportunities with inner-city, social and Aboriginal enterprises and through an emphasis on an asset-based model of community development and poverty eradication.
  - Environmental impacts were avoided in areas where the supplier provided a product or service or managed its operations in ways that reduced the environmental impact of the Games.
  
- Knowledge, tools/model development:
  - Buy Smart was the first of its kind for the Olympic Movement; future Organizing Committees are also developing sustainable sourcing programs. There are opportunities to build on this model in ways that are appropriate for future host countries.
  - A comprehensive model exists, with a track record, that consistent with global best practice, for integrating social and environmental values into the procurement process.
  - Buy Smart provided tools for suppliers and their sub-contractors to raise their standards, generating a better understanding of social compliance.
  - Lasting knowledge was gained by members of the VANOC procurement team, sponsors, suppliers and others. They will take this knowledge to their next workplaces and contracting endeavours.

VANOC hopes the legacies of its efforts to emphasize sustainable purchasing in its decision-making and actions will inspire others to help advance environmental benefits, social inclusion and economic innovation in the years ahead.

*“Buy Smart sets the bar for future Games.” - NGO representative*

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