TO: HONORABLE CITY COUNCIL

FROM: CITY MANAGER

DATE: APRIL 28, 2008

DEPARTMENT: City Manager’s Office

CMR: 217:08

SUBJECT: STUDY SESSION: PRESENTATION ON THE U.S. GREEN BUILDING COUNCIL’S (USGBC’S) LEADERSHIP IN ENERGY AND ENVIRONMENTAL DESIGN (LEED) GREEN BUILDING RATING SYSTEM FOR COMMERCIAL BUILDINGS AND ADDITIONAL INFORMATION ON ENVIRONMENTSALLY PREFERRED PURCHASING AND THE COMMUNITY ENVIRONMENTAL ACTION PARTNERSHIP

The Earth Day Study Session will include updates on Environmentally Preferred Purchasing, the Community Environmental Action Partnership, and Green Building.

ENVIRONMENTALLY PREFERRED PURCHASING

Environmentally Preferred Purchasing (EPP) is the purchase of products or services that have a lesser or reduced impact on human health and the environment when compared with competing products or services that serve the same purpose. Such products or services may include those which contain recycled content, minimize waste, conserve energy or water, and/or reduce the amount of toxics disposed of or consumed.

In its 2007-08 Budget, the City allocated $16.5 million on materials and supplies from its General, Enterprise, and Capital Improvement Project Funds. Incorporating EPP criteria into these direct expenditures could have an indirect impact on the City’s climate protection goals, as well as on other sustainability policies and programs such as Zero Waste, green building, and pollution prevention. Beyond City operations, the City’s purchase of EPP products and services, in conjunction with the environmental purchasing efforts of other Bay Area or State public agencies, might stimulate market demand and further expand access to these products and services.

The City has already incorporated environmental criteria into some of its purchasing. For example, since 2000, the City reduced its energy use by 17% through its purchase and installation of energy efficient office and LED street lighting and low-mercury fluorescent lights; its purchase of 30%-100% recycled-content for copy and bathroom papers respectively; and the use of “less-toxic” custodial, pest control and printing services and products. These efforts, however, have been driven by specific department initiatives rather than by a systemic, citywide approach and are not always uniformly applied across the organization. To institutionalize the consideration of environmental impacts that are cost neutral to the City during the purchasing process, staff is in the midst of incorporating EPP
criteria into several contracts that are going out to bid in spring of 2008. In addition, staff is drafting an EPP implementation plan which should be completed by June 2008.

Since the adoption of the Climate Protection Plan in December 2007, which authorized the pursuit of EPP, staff has:

- Completed an EPP policy and initial procedures. Procedures will be revised iteratively as the EPP program unfolds.
- Set up an intranet infrastructure to connect the Purchasing Manual with environmental policies and related purchasing preferences
- Begun the development of a cost benefit methodology to incorporate adders and operational efficiencies into the evaluation of product costs
- Engaged City staff from several departments to redraft specifications and scoring for the copier contract and begun exploring options and drafting a timeline for the printer contract RFP to include automatic duplexing
- Incorporated EPP criteria into the City’s Office Supply Contract which is going out for bid in May 2008. The EPP priorities for the contract are to identify 100% recycled content paper and remanufactured toner cartridges that offer both waste and greenhouse gas reduction opportunities. In addition, the RFP seeks to increase vendor responsibility for packaging and hazardous waste reduction and to include an on-line ordering system to make it easier for staff to identify and purchase green office supplies.
- Worked with Stanford Student Environmental Consulting Team on assessing cost benefits of designated products
- Started planning EPP priorities for 2008-2009
- Begun to explore opportunities to “green” other contracts including copiers, printers, and the City’s cafeteria and custodial vendors. This effort is in the beginning stages, and impacts will be contingent on cost benefits, City operational needs, and the extent of available products and services.
- Saved $30,000 through avoided purchases. One aspect of EPP is to look at operational changes that might reduce the need for purchases and resource use, or that might offset the cost of more expensive EPP products or services. The City’s Administrative Services Department identified an opportunity to avoid a significant cost by using PDFs for a selection of monthly IT Division reports instead of printing paper copies. Environmental benefits from this project’s avoided paper use alone were a reduction of .76 metric tons of GHG emissions and an equivalent of six trees. In addition, the department avoided purchasing a new printer that would have been required had the paper printing of these reports continued. Similar paper-saving measures are being explored in other City departments.

**Budget Implications of EPP**
The implementation of Environmentally Preferred Purchasing Procedures requires staff time and may require additional financial resources when “green” products or services cost more than conventional ones. Through the effort to green the City’s office supply contract, staff is exploring how to evaluate potential cost increases and find ways to offset these increases through operational efficiencies, and factor into cost-benefit
calculations multi-year use and the achievement of environmental priorities such as waste reduction and climate protection. As EPP efforts unfurl, staff may deem it necessary to return to Council to seek approval for contracts that help achieve environmental goals, but may cost more.

COMMUNITY ENVIRONMENTAL ACTION PARTNERSHIP (CEAP)

The Education and Motivation chapter of the CPP described a standing committee to be created including citizens, staff, and experts to implement community-wide emissions reduction efforts. It followed the model created by the Green Ribbon Task Force (GRTF) including representatives of all the segments comprising the community: schools, businesses, nonprofits, neighborhood groups, government, and the faith community. After a few weeks of planning with a core group of citizens, the first two meetings of the CEAP took place on March 5 and April 9. At the March 5 meeting, with over 100 in attendance, participants were broken into small groups to talk through the draft mission and goals for the CEAP, as well as to brainstorm potential actions.

At the April 9 meeting, the mission and goals were approved, as were the structure of the group and the group’s focus for the first year: climate protection. Each of eight segments (medical and Stanford communities were added as segments) will have one liaison to the CEAP, while all members of the public are welcome to attend meetings. Liaisons are responsible for communicating with their segments and facilitating the implementation of the actions or initiatives selected by their segments. The next meeting will take place May 7, 4 to 6 pm, at Cubberley Community Center.

Budget Implications of CEAP

In 2008-09, it is anticipated that staff resources will be required for the initial half of the year, until the group is completely launched and self-supporting. Additional expenses would be minor, under $5,000, and will be included in the 2008-09 City Manager’s (Sustainability Team) budget.

GREEN BUILDING

During the summer of 2007, City staff coordinated the presentation of two educational sessions in the Council Chambers regarding two green building programs: USGBC’s (United States’ Green Building Council) LEED™ (Leadership in Energy and Environmental Design) and BIG’s (Build It Green) GPR™ (Green Point Rated). These sessions were intended for Council members in particular but were attended by others.

Council Actions on Green Building in 2007

The Climate Protection Plan (CPP) included an incremental approach, originally recommended by the GRTF, requiring BIG’s program for residential projects and the USGBC’s program for non-residential projects. Also in 2007, Council:
- Reviewed an implementation schedule for mandatory non-residential and multi-family residential green building by July 2008, and low density residential green building by July 2009
- Adopted a green building ARB approval finding and zoning text allowing the City to require green building checklists
- Adopted an amended green building policy for City facilities that lowered the threshold from 10,000 square feet to 5,000 square feet, raised the LEED™ level from Certified to Silver, and included limited exemptions
- Adopted the 2005 California Energy Code

Green Building Ordinance in 2008
On March 12 and April 9, 2008 the Planning and Transportation Commission (Commission) held study sessions to review and discuss staff’s proposal for green building criteria for private development. On April 9 and April 17, 2008, the Commission and ARB, respectively, were scheduled to review and recommend a draft green building ordinance and companion resolution to set green building criteria. Council adoption of the proposed ordinance and resolution will result in commencement of the mandatory residential green building program in 2008 rather than in 2009 as initially reported to Council in 2007.

The Council date for adoption of the ordinance (May 12, 2008) would allow the ordinance to become effective by July 2008. The ordinance incorporates the use of the BIG’s GPR™ residential green building program and the (USGBC) LEED™ non-residential green building program. The ordinance will include provisions for limited exemptions and specify methods of verification and enforcement. The staff report for Council’s May 12, 2008 public hearing of the proposed green building ordinance will provide additional discussion to support the adoption of the ordinance, and will include further description of outreach and Commission meeting minutes related to this topic.

Green Building Working Group and Outreach
An interdepartmental Green Building Working Group (Group), led by the City’s Chief Building Official and comprised of City staff from Public Works, Administrative Services, Utilities, and Planning and Community Environment Departments, is focused on issues related to establishing a mandatory green building program. The group includes three BIG certified professionals and a LEED™ Accredited Professional; the group has also sought input from the two ARB members and a contract planner (working in the Individual Review program), who are all LEED™ accredited.

The Group and its members have been engaging in the following pursuits:
- Assembling past-year data to assist development of the green building ordinance, and Title 24 data for summaries of building permit activity beginning in 2008
- Researching how to achieve the greatest efficiencies, rebates for certification or similar incentives to increase the level of green building
- Pursuing staff training in conjunction with the rollout of the mandatory programs. Group staff members are attending regional BIG meetings, green building seminars and workshops, and members are looking toward obtaining additional training in LEED™ and GPR™.
• Providing “At-a-Glance” Matrix of Incentives to Build Green, in collaboration with BIG, indicating rebates, tax credits and services available to help Palo Alto residents build or remodel their home “green”; grouped into six categories, the incentives correspond to BIG guidelines for new and remodeled homes.

• Launching the Ask an Expert Hotline, a BIG service providing unbiased, customized responses, via phone or email, to green building questions from building professionals and residents of Palo Alto. The Hotline will provide information to make callers’ (clients’) homes healthier and higher performing; it is funded by Public Works (PW), Utilities, and Planning and Community Environment.

• Collaborating on an author event at the Palo Alto Main Library in September 2007 with the Public Works Recycling Program, Palo Alto City Library, Friends of the Library, and Books Inc. Jennifer Roberts, environmental management specialist, energy expert, and author of Good Green Homes Redux: Designs that Reuse, Recycle and Reveal, and Good Green Kitchens, presented information and answered questions on practical, money-saving and environmentally conscious ways to build, remodel, and improve homes. In addition, the Palo Alto City Library expanded its collection of green building books available for loan to the community.

• Sponsoring the Green Home Tour planned for September 2008 to showcase innovative new and remodeled green homes in Santa Clara and San Mateo Counties, enabling homeowners and/or developers to share their green building experiences with the community, educate tour attendees on the variety of green building materials and methods currently being used locally, showcase green building features which are both aesthetically pleasing and environmentally friendly, and demonstrate that homes can incorporate green features on any budget. The event also includes a green building materials and vendor faire.

This study session will include a “primer” from the Chief Building Official on the LEED™ green building program, providing the opportunity to discuss the differences among LEED™ green building levels. The primer will also identify LEED™ checklist points most frequently gained by development projects registered with the USGBC. The April 28 study session does not include discussion of the BIG program, which is used only in California and only for residential projects.

In Palo Alto, green building checklists are required to be submitted with other planning entitlement applications but are not required or provided with building permit application materials. Green building information is provided at the Development Center kiosk and the Ask and Expert Hotline, and the Development Center website provides a link to USGBC and BIG web sites.

The Santa Clara County Cities Association’s Green Building Collaborative advocates the countywide use of the LEED™ checklist for non-residential projects and the GPR™ checklist for residential projects. Staff and a Council member are among the members of the Collaborative, and Palo Alto’s program development is being shared with the group. Other Bay Area cities have adopted policies and ordinances referring to these industry-recognized programs.
Budget Implications of Green Building

Substantial staff hours will be required to implement the City’s green building program and ordinance. Detailed estimates of the staff hours involved in outreach, education, and training will be provided with the ordinance when presented to Council.

Financial incentives for exceeding minimum green points for residential construction are under consideration -- specifically, the use of Utilities funds earmarked for improved energy efficiency in Palo Alto and for training and education. Rebates associated with a dollar amount per point exceeded are being considered, and this concept is supported by the ARB. The program would be designed to offset costs associated with review of the checklists and verification by a third party green point rater (for residential buildings). Additional, non-financial, incentives are being considered by other departments as well.

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ATTACHMENT:
Attachment A: Environmental Purchasing Policy