



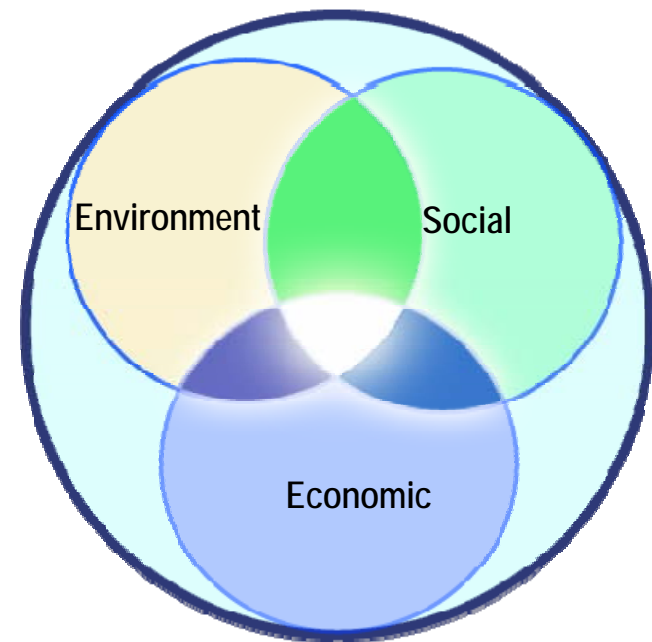
VANOC's Buy Smart: Sustainable Procurement, Licensing and Showcasing in the 2010 Olympic and Paralympic Winter Games

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Sustainability at VANOC

Managing the **social, economic and environmental** impacts and opportunities of our Games to produce lasting benefits, **locally and globally**



VANOC Vision and Mission:

Vision: A stronger Canada whose spirit is raised by its passion for sport, culture and **sustainability**

Mission: To touch the soul of the nation and inspire the world by creating and delivering an extraordinary Olympic and Paralympic experience with **lasting legacies**



Key Sustainability Outcomes for VANOC:

1. Raise awareness and inspire action
2. Make a material difference at the Games
3. Build the Olympic and Paralympic brands



VANOC lifecycle

September 2003
VANOC Formed

VANOC
Now

Foundation
Phase

Strategic/
Business Phase

Games Time
Planning
Phase

Games
Time

Post-
Games
Phase

2004

2005

2006

2007

2008

2009

2010

Six Sustainability performance objectives

Based on the bid & stakeholder Input

1. Accountability
2. Environmental Stewardship and Impact Reduction
3. Social Inclusion & Responsibility
4. Aboriginal Participation & Collaboration
5. Economic Benefits from Sustainability
6. Sport for Sustainable Living



1. Accountability: through Sustainability Management and Reporting System

- Behaving ethically
- Setting performance targets and measures
- Communicating openly about our progress and challenges
- Consulting with external groups affected by activities
- www.vancouver2010.com



5. Economic Benefits from Sustainability practice

Buy Smart Program:

- ✓ Code of Conduct
- ✓ Sustainable Procurement Guidelines
- ✓ Stakeholder engagement with supply chain
- ✓ Supporting outreach programs

Showcasing Solutions

- ✓ Venues, Villages, Services, demonstrate sustainable innovations
- ✓ Sponsor Sustainability Initiative (SSI) collaborating to expand profile and impact



VANOC Buy Smart Program

Why?

- Bid identified licensing, purchasing, and business development as strategic opportunities to:
 - advance sustainability and create value in practical ways
 - make environmentally, economically and socially conscious choices

A first!

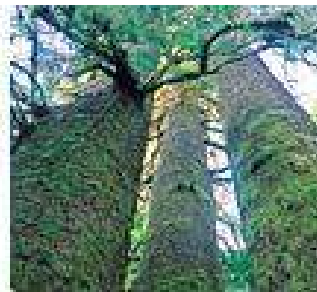
- VANOC first Organizing Committee to develop and implement a Licensee Code of Conduct and Sustainable (TBL) Procurement program

Buy Smart Program Objectives

- Value for money
 - Product / service quality
 - Fair price
- On time delivery
- Risk minimization/reputation
 - Transparent process
 - Regulatory and legal compliance
 - Ethical sourcing
- Higher performance venues and operations to support an 'extraordinary Games'
- Increase social, ethical and environmental performance within both VANOC and supplier business operations

Buy Smart Objectives continued....

- Increase sustainability purchasing leading to innovation, trade and investment in the sustainability sector
- Growth of minority-owned businesses and the sustainable enterprise sector (e.g. First Nations, Inner-city, social, and environmental enterprises)
- Increased jobs for priority communities (e.g. Aboriginal people, people with disabilities, Inner-City residents)
- Creation of a best practice model for sustainability purchasing for the Olympic movement



Best Practices for Sustainable Purchasing

- Policies supported by senior management
- Procedures ensure consistent effort
- Internal training
- Opportunities identified early
- Build awareness
 - 1) talk about it internally
 - 2) include in competitive tendering documents
 - 3) include in all speaking engagements
- Develop metrics to measure progress
- Track, monitor and publicly report



Buy Smart Steering Committee

- Identify high impact procurement opportunities
- Promote opportunities among suppliers
- Recommend procurement and contracting processes that encourage vendor and sponsor participation
- Recommend targets and metrics
- Recommend a weighting for proposal evaluations
- Monitor Buy Smart progress and recommend program improvements
- Engage with stakeholders

Buy Smart Demand-side Tools

1. Process to identify high value opportunities
2. S&AP element in every EOI, RFP;
3. Questionnaire (To identify & assess leadership practices; Scored, weighted & integrated (price / quality))
4. Establish evaluating team to score and select vendors
5. Negotiate and contract with vendors
6. Contract administration
7. Track and report
8. Spot checks and auditing

Buy Smart Supply Side Tools

1. www.2010CommerceCentre.com Business Network & Database
2. Outreach with 2010 Commerce Centre
3. Presentations via 2010 Speakers Bureau
4. Brokering with Inner City and First Nations procurement “enabling” NGOs
5. Resources and Events Calendar
www.buysmartbc.com

BuySmart Performance Measures

- Number and value of contracts with Aboriginal enterprises
- Number and value of contracts with businesses in priority communities
- Number of factory licensee audits conducted
- Number of factories banned from producing merchandise until critical gaps addressed
- Number of staff and volunteers recruited from priority communities
- Number of Sustainable Innovations with Partners and Sponsors

2007 BuySmart Stakeholder Engagement

- 77 participants, facilitated by SPN representative
- **Representative Organizations** invited to represent Labour and Ethical Purchasing, Business, Aboriginal Partners and Constituents, VANOC Licensees
- **Gateway Organizations**, seen as a 'gateway' to a larger group of constituents, invited to represent Inner City, Social Enterprise and People with Disability Sector, Environmental Suppliers, ENGO's / Sustainability Practitioners
- **Special Interest** groups were kept informed by phone calls and emails To identify strategic issues and proactively address them before they become crises

- Sought ideas for improvements to the Buy Smart program
- Update key stakeholders on VANOC sustainability programming activities
- Seek support to scale up sustainability efforts
- Raise awareness around the SPN in order to create lasting sustainability legacies as a result of the Games

Stakeholder Feedback - Key Themes

Stakeholder Group	Key Themes
Labour & Ethical Purchasing	<ul style="list-style-type: none"> - Support for the Code of Conduct to date - More transparency around verification procedures related to supplier compliance - More emphasis on regional/provincial legacies
Business Associations	<ul style="list-style-type: none"> - Support for Buy Smart goals, process, tools - Ensure transparency in Direct Award, Limited Bid
Inner City / Social Enterprise / Disability Organizations	<ul style="list-style-type: none"> - Support and foster capacity building (supplier side) - Create reciprocity: added value beyond dollars - Ensure transparency in how 'high value' are identified
Aboriginal Partners & Constituents	<ul style="list-style-type: none"> - Create meaningful process and avoid tokenism - Include an Aboriginal representative on Buy Smart Steering Committee - Support initiatives to build capacity on supply side - Modify questionnaire: identify joint venture depth

Key Themes Continued...

Stakeholder Group	Key Themes
ENGO & Sustainability Practitioners	<ul style="list-style-type: none">- Consolidate basic and high value bids- Create legacies: procurement practice promotion- Be mindful of scalability to ensure inclusiveness
Environmental Suppliers	<ul style="list-style-type: none">- Prioritize legacies for environmental suppliers- Ensure transparency in Steering Committee- Include environmental specifications in all bids- Include external members on Steering Committee
Licensees	<ul style="list-style-type: none">- Concern about ramping up for more public disclosure- Look into pricing structure of subsequent audits and minimize costs for Grade A & B factories- Ensure audits have clear corrective action plan- Educate buyers on implications of rush orders

Stakeholder Recommendations



46 specific recommendations came based on key themes

Used to refine and expand the program

Buy Smart Steering Committee in the process of implementing recommendations

Reported back to stakeholder groups in February 2008

Key Learning's

- VANOC's goals for the program also depends on smaller supplier's ability and capacity to win contracts
- Cutting edge program with no previous template to draw from is time and resources intensive in its development
- Limited timeframe creates a challenge for a long-term program development so we important to target strategic opportunities

Successes

- Strongly supported by VANOC staff
- Engaged Aboriginal communities in the procurement process creating a new benchmark
- Licensing program is setting a new standard in Olympic merchandising
- Positive impact on suppliers, sponsors and the wider Olympic family by creating awareness around ethical purchasing

Licensee's Role

- Read and Implement VANOC's Code of Conduct
- Fully disclose all factories and sub-contractors
- Commit to continuous improvement and ensure that the factory achieves the targeted grade (B) within 24 months.
- Pay for the audit, and participate in the program
- Monitor factory audit results
- Complete corrective actions, when required

Social Compliance

Respecting:

- workers
- the environment
- local laws
- VANOC's Code of Conduct

VANOC's role

- Ensure compliance with Code of Conduct
- Track and Report
- Build bank of stories and examples
- Share challenges and successes with stakeholders and the media
- Post Code on the website



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Enhancements to VANOC Code of Conduct

- Revising the language within the Licensee Code of Conduct, specifically *Hours of Work* to better align with best management practices for this standard.
- Initiating application of a Code of Conduct for all regular suppliers providing goods and services for VANOC.
- Ensuring that audits of manufacturing factories are conducted on an unannounced basis within a two-week window

Enhancements to VANOC Code of Conduct

- Increasing transparency on auditing standards and protocols - by making it available to stakeholders upon request
- Actively encourage 2010 Sponsors and Partners to engage in adopting ethical and sustainable purchasing programs
- Providing input into the strategic development of the International Olympic Committee's Sustainability guidelines to support future host cities' operations.

Key Challenge Areas

One

- Full public disclosure of factory locations for Licensees and Suppliers

Two

- Mandating a Living Wage provision for Licensees and Suppliers

Three

- Mandating implementation of worker rights training programs and instituting worker complaint programs

Key Challenge Areas

Contractual
constraints

Concerns about
competitive
information

**Full public disclosure
of factory locations
for Licensees and
Suppliers**

Adequate
competition

Security of supply

Key Challenge Areas

Difficulties with
measurement

Short Term duration
of supply contracts

**Mandating a Living
Wage provision for
Licensees and
Suppliers**

Key Challenge Areas

Limited lifespan for organizational commitment

Complexity in setting up formal complaint programs

Mandating implementation of worker rights training programs and instituting worker complaint programs

Opportunities around worker rights training

NGO partnership potential

Code of Conduct Next Steps



Continue engagement with sponsors and IOC

Continue engagement with existing licensees around corrective action plans and worker rights training

Expand program to regulate suppliers

Code of Conduct Next Steps



Report on 2007
and 2008
performance in
VANOC
sustainability
report

Update bid
contract
documents
with code
modification
requirements

Develop
complaint
communication
channel

Sponsor and IOC Engagement

- Ongoing ethical sourcing dialogue with IOC
- Buy Smart round table with VANOC sponsors
- Ethical sourcing module







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XXI OLYMPIC WINTER GAMES | X PARALYMPIC WINTER GAMES
XXI^e JEUX OLYMPIQUES D'HIVER | X^e JEUX PARALYMPIQUES D'HIVER

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