

TAHSN CFO Symposium Summary: Sustainable Procurement



May 19, 2023

- **The Sustainable Procurement Working Group hosted the TAHSN CFO Symposium on Sustainable Procurement with the aim to:**
 - Understand the landscape and trends in sustainable procurement.
 - Identify specific opportunities and challenges to spread and scale across the network.
 - Discuss the opportunity for TAHSN to help define the direction of travel for sustainable procurement in the healthcare sector.
- **Polling and discussion during the Symposium identified strong support for collaborative movement forward, including the development of a collective statement of commitment.**
- This event summary includes:
 - Agenda (pg. 1)
 - Attendee list (pg. 2)
 - Key takeaways from presentations (pg. 3-4)
 - Case study evaluation framework (pg. 5)
 - Case study evaluations (pg. 6-10)

May 19, 2023 – Agenda

9:00–9:05	Welcome , Sarah Chow, VP Corporate Services & CFO, Michael Garron Hospital
9:05–10:00	Panel Presentations , followed by Q&A moderated by Sarah Chow <ul style="list-style-type: none">• Dr. Andy Smith, President & CEO, Sunnybrook Health Sciences Centre• Heather McPherson, President & CEO, Women's College Hospital• Frances Edmonds, Head of Sustainability, HP Canada
10:00–10:35	Case Studies: sustainable procurement opportunities & challenges <ul style="list-style-type: none">• Case Study Evaluation Framework<ul style="list-style-type: none">◦ Dr. Fiona Miller, Professor, IHPME, DLSPH, University of Toronto• Win-Win Opportunity: Desflurane<ul style="list-style-type: none">◦ Dr. Anita Rao, Anesthesiologist, Trillium Health Partners• Business Case & Corporate Strategy Alignment: EV Charging Station<ul style="list-style-type: none">◦ Greg Chow, VP Finance, Partnerships & CFO, Women's College Hospital• Quality & Safety Evaluation: Biodegradable/Compostable Plastics<ul style="list-style-type: none">◦ Ed Rubinstein, Director of Environmental Compliance, Risk & Sustainability, UHN• Change Management: Reusable Gowns<ul style="list-style-type: none">◦ Jhanvi Solanki, VP Clinical Programs, Humber River Hospital
10:35–10:55	Discussion: Vision & interest for collaborative movement forward, moderated by Greg Chow
10:55–11:00	Wrap-up & Key Takeaways , Sarah Chow

TAHSN Participation

Centre for Addiction and Mental Health	<ul style="list-style-type: none"> • John Kozanczyn, Director, Supply Chain & Patient Support Management
Holland Bloorview Hospital	<ul style="list-style-type: none"> • Enza Dininio, CFO & Senior Director, Aquatics & Centralized Equipment Pool
SickKids	<ul style="list-style-type: none"> • Young Lee, CFO
Humber River Hospital	<ul style="list-style-type: none"> • Faith Forbes, CFO • Jhanvi Solanki, VP Clinical Programs
Michael Garron Hospital	<ul style="list-style-type: none"> • Sarah Chow, VP Corporate Services & CFO
North York General Hospital	<ul style="list-style-type: none"> • Joan Wood, Director of Finance
Scarborough Health Network	<ul style="list-style-type: none"> • Cory Bryan, Interim Vice President, Finance & Corporate Services
Sunnybrook Health Science Centre	<ul style="list-style-type: none"> • Michele Beals, VP Finance & CFO • Dr. Andy Smith, President & CEO
Trillium Health Partners	<ul style="list-style-type: none"> • Carol Vinette-Hancharyk, VP Finance & CFO • Wanda Page, Director Operations, Stores & Supply Chain Management • Varma Maharaj, Director, Patient Support Services • Dr. Anita Rao, Anesthesiologist
University Health Network	<ul style="list-style-type: none"> • Darlene Dasent, EVP & CFO • Ed Rubinstein, Director of Environmental Compliance, Risk & Sustainability
Women's College Hospital	<ul style="list-style-type: none"> • Greg Chow, VP Finance & CFO • Christina Lourakis-Murray, Director of Finance • Heather McPherson, President & CEO

Presentation Summaries

TAHSN Collaborative Action on Sustainability

- Dr. Andy Smith, President & CEO, Sunnybrook Health Sciences Centre

- TAHSN has never been stronger as an entity and is becoming increasingly collaborative. There is a great opportunity to work together in significant ways.
- Today's CFO Symposium is an important meeting for a key group of healthcare leaders with the opportunity to make a significant impact.
- As a healthcare sector with the mandate to take care of people, we are perfectly poised to take leadership on climate change and sustainability.
- Key success factors for accelerating sustainability within organizations:
 - Elevate the importance (this was done at Sunnybrook via the creation of the president's Green Task Force).
 - Clarify the framework for sustainability priorities.
- Sustainability is a key priority for the TAHSN CEO Table and is included with the TAHSN Strategy Framework (Priority 3.4: An Equitable and Sustainable Future). The CEO Table would like a report on the CFO Symposium on Sustainable Procurement.

The Changing Landscape of Healthcare Procurement in Ontario

- Heather McPherson, President & CEO, Women's College Hospital

- We need to be the leaders for the change we would like to see, including on sustainable procurement.
 - It is a moral imperative to act on sustainability.
 - All boards are currently energized around ESG, and more attention will be given to procurement going forward.
- The centralization of procurement in Ontario may offer a lever for sustainable procurement.
 - MMC is now the largest organization for healthcare procurement, allowing for increased purchasing power and reduced cost. This may allow for the prioritization of other value outcomes.
 - Supply Ontario is looking to collaborate and build on existing infrastructure and initiatives.
- There is a shift towards value-based procurement, including other holistic priorities in addition to cost and quality.
 - Increasingly, sustainability is included within contract language, including demands for performance and non-financial ESG criteria.
- Proactive engagement with vendors and procurement partners on sustainability is critical to allow for innovative solutions and products.
 - TAHSN could be engaging with procurement partners on sustainability.
- Leadership on sustainable procurement is growing in other regions:
 - NHS England Net Zero Supplier Roadmap
 - US Health & Human Services Climate Pledge
 - Rather than requiring regulations to be imposed to act, TAHSN could pledge to take action on promoting sustainable procurement practices.

Presentation Summaries Continued

Sustainable Procurement: Action & Leadership

- Frances Edmonds, Head of Sustainability, HP Canada
- There is a need to engage the private sector more on sustainable procurement.
 - Many in the private sector want to meet sustainability goals but require incentives to do so.
- The science on climate change is clear that it is urgent to act now.
 - We have 7 years to reduce carbon emissions by 50%, and the carbon reductions over the next years will impact the future significantly.
- The drive towards the lowest price has delivered the crises that we face today (inequality, climate change, and biodiversity crisis).
- Definition of sustainable procurement (Bob Willard, Sustainability Advantage):
 - "Obtain the best value for money when purchasing the most sustainable services and goods, from the most sustainable suppliers, in support of the organization's stated purpose and strategic goals."
- The largest portion of emissions are from the supply chain.
- Can start by including sustainability in the next RFP by asking suppliers if they have sustainability goals, how they are monitoring their performance, and if they have met their goals.
- HP-funded research on public procurement to evaluate how sustainability was integrated revealed that most will discuss sustainability but less than half include it in evaluations and that only 12% included sustainability as an independent consideration. Additionally, there were none that had mechanisms for accountability.
- Bob Willard, Founder & Chief Sustainability Champion, Sustainability Advantage, believes that sustainability criteria in RFPs should be weighted at 30% to make it matter to suppliers.
 - Can start by asking suppliers what they are doing, indicating that you intend to give significant weighting in future RFPs.
- Procurement teams need to be better equipped to make meaningful changes towards sustainable procurement. This requires:
 - Executive-level commitment
 - A vision with SMART goals
 - Resources (staffing, policies, and training)
 - Mechanisms of accountability
- Action that can be taken now in procurement:
 - Require all vendors to have measured, disclosed, and set targets to reduce their carbon emissions.
 - Require all vendors to set and disclose post-consumer plastic content goals.
 - Buy whatever you can as a service.
 - Signal that you expect companies to invest in social impact.
 - Signal your intention to give significant weightings sustainability, transparency, and performance.
- Resources:
 - Buying a Better Future: Insights from a Sustainable IT Procurement Project (Green Economy Canada, 2021)
 - 21st Century CAPEX Toolkit (Sustainability Advantage)

Sustainable Procurement Case Study Evaluation Framework

The Sustainable Procurement Working Group developed this framework to guide the evaluation of sustainable procurement opportunities. The following case studies were ranked based on how they meet the criteria under four areas of key consideration outlined below. This framework is being developed iteratively.

Key Considerations (green/yellow/red rank)	Current Information Supports Opportunity	Further Evaluation Required	Significant Barriers to Opportunity
<p>Evidence</p> <ul style="list-style-type: none"> Evaluation of evidence supporting environmentally sustainable claims & standards Consideration of clinical concerns & evidence 	<ul style="list-style-type: none"> Strong clinical and environmental evidence Established standards 	<ul style="list-style-type: none"> Somewhat limited environmental and/or clinical evidence Evidence varies depending on product and requires careful evaluation 	<ul style="list-style-type: none"> Little to no clinical or environmental evidence
<p>Business Case</p> <ul style="list-style-type: none"> Cost comparison & considerations Alignment with corporate values & strategy 	<ul style="list-style-type: none"> Cost savings 	<ul style="list-style-type: none"> Cost savings when considering total cost of ownership Justification of higher cost due to alignment with corporate strategy values 	<ul style="list-style-type: none"> No cost savings or other significant value add Misalignment with corporate strategy or reputational risk values
<p>Supply Availability & Reliability</p> <ul style="list-style-type: none"> Availability & reliability of quality vendors to meet volume and delivery requirements 	<ul style="list-style-type: none"> Quality products/services readily available and/or from numerous vendors Limited repairs required/repair parts readily available 	<ul style="list-style-type: none"> Somewhat limited availability of quality products/services Somewhat limited number of reliable vendors Somewhat limited availability of product parts/repairs 	<ul style="list-style-type: none"> Limited quality products/services Limited reliable vendors Limited availability of product parts/repairs
<p>Change Management</p> <p><i>Internal</i></p> <ul style="list-style-type: none"> Evaluation of internal resources, systems, and support required to support change <p><i>External</i></p> <ul style="list-style-type: none"> Evaluation of external systems and contract management required to support change 	<ul style="list-style-type: none"> Limited change management required Guidance & resources available to support change management No external contract issues 	<ul style="list-style-type: none"> Careful change management planning (external and/or internal) is required for effective implementation <ul style="list-style-type: none"> Some need to evaluate and amend existing systems 	<ul style="list-style-type: none"> Internal and/or external resistance may be a significant barrier <ul style="list-style-type: none"> Need to navigate existing contracts Need to change systems Need culture change

TAHSN Case Studies Overview

The sustainable procurement case studies presented below were evaluated by representatives from TAHSN organizations based on their experiences. See below for a summary overview of the case studies and the following pages for more detailed reviews.

Key Considerations	Win-Win Opportunity: Desflurane	Business Case & Corporate Strategy Alignment: EV Charging Stations	Change Management: Reusable Gowns	Quality & Safety Evaluation: Bioplastics
Evidence <ul style="list-style-type: none"> Sustainability Clinical 	<ul style="list-style-type: none"> Strong sustainability & clinical evidence 	<ul style="list-style-type: none"> Strong sustainability evidence 	<ul style="list-style-type: none"> Strong sustainability & clinical evidence 	<ul style="list-style-type: none"> Little to no clinical or environmental evidence
Business Case	<ul style="list-style-type: none"> Cost Savings 	<ul style="list-style-type: none"> Negative business case Strong alignment with corporate strategy 	<ul style="list-style-type: none"> Cost savings when considering total cost of ownership 	<ul style="list-style-type: none"> No cost savings or other value add Reputational risk
Supply Availability & Reliability	<ul style="list-style-type: none"> Quality alternatives readily available 	<ul style="list-style-type: none"> No issues with availability & reliability of products / vendors 	<ul style="list-style-type: none"> Need to evaluate the availability of quality gowns & capacity for laundering services Reusables can mitigate supply risks with disposables 	<ul style="list-style-type: none"> Limited availability of quality products/ reliable vendors <ul style="list-style-type: none"> Requires careful evaluation
Change Management <ul style="list-style-type: none"> Internal External 	<ul style="list-style-type: none"> Guidance & resources available to support change No external contract issues in reducing use 	<ul style="list-style-type: none"> Careful change management may be required 	<ul style="list-style-type: none"> Internal resistance may be significant Need to navigate existing contracts Need to change or set-up laundering system 	<ul style="list-style-type: none"> Careful change management required for necessary waste segregation

Win-Win Opportunity Case Study: Responsible Anesthetic Gas Use

Reduction & Elimination of Desflurane Use

- Trillium Health Partners
- Dr. Anita Rao, Anesthesiologist

- A step-wise QI initiative to decrease desflurane was launched at Trillium Health Partners in 2019, which included education and discussing alternatives at rounds.
- Programmed low-flow (FGF on Etcontrol on Aysis machine to default of 0.5 L/min) to conserve anesthetic gas.
- Desflurane was eliminated from the operating rooms as of February 2022.
- **Savings from desflurane reduction (2018–2022):**
 - **743 tonnes CO₂-equivalent and \$125,000**

Case Study Evaluation

Evidence

- Sustainability
- Clinical

Strong sustainability evidence:

- Desflurane is unequivocally worse for the environment than other anesthetic gases.
 - [CASCADES Sustainable Perioperative Care Playbook](#)
 - [CASCADES Desflurane Project Charter](#)

Strong clinical evidence:

- Multiple studies show desflurane is not superior to alternatives for a wide range of populations (ambulatory surgery, geriatric patients, bariatric patients). Additionally, it is not suitable for inhalational inductions, which are often used for children.
- Multiple clinical guidelines have recommended that desflurane be eliminated ([Canadian Anesthesiologists' Society](#), [American Society of Anesthesiologists](#), [World Federation of Societies of Anesthesiologists](#)).

Business Case

Cost savings: Desflurane is less potent than the alternative (sevoflurane) and more expensive per patient.

Supply Availability & Reliability

Quality alternatives readily available:

- Sevoflurane is made in several locations by multiple pharmaceutical companies; as a result, it is less vulnerable to supply chain disruptions than desflurane.
- Intravenous anesthetics are an alternative to volatile anesthetics.

Change Management

- Internal
- External

Internal – Examples, guidelines, and resources are available to support change:

- Anesthesia departments should comply with current guidelines from professional societies. For example, the [2023 Canadian Anesthesiologists' Society Guidelines to the Practice of Anesthesia](#) support the elimination of desflurane use.
- Multiple hospitals in Ontario and internationally have eliminated the use of desflurane with no effects on the quality of patient care.
- [Ontario's Anesthesiologists Environmental Sustainability Working Group \(OA ESWG\)](#) has published a [position statement on desflurane](#).
 - OA ESWG will present rounds to anesthesia departments on greening strategies and provide the evidence to support the discontinuation of desflurane use.
- If an anesthesia department is hesitant or unwilling to give up desflurane, consider a [OA ESWG provide a presentation](#).
- [UK is banning desflurane as of 2024](#). [EU proposed banning in 2026](#).

External – No contract issues with reducing use:

- Hospitals are not contractually obligated to buy more than needed and can send the unused product back to Baxter or use all remaining desflurane and not re-order.

Business Case & Corporate Strategy Alignment: EV Charging Stations

Capital Planning & Evaluation: EV Charging Stations

- Women's College Hospital
- Greg Chow, VP Finance & CFO

- EV chargers provide a symbol of WCH's interest and commitment to sustainability and help make EV adoption more accessible for patients/visitors and staff.
- WCH has 12 EV charging stations located in an underground parking facility.
 - The chargers earned credits towards LEED Gold Designation for new builds.
- 4 EV chargers are at the end of life.
 - The ZEV Infrastructure Program could support replacing and increasing the number of chargers.
 - EV chargers are required to maintain LEED designation.
 - This need was identified and submitted to the Capital Committee as part of the FY2324 capital planning cycle.
- Results of the Committee's evaluation for FY2324 capital needs identified the EV charging stations as a low priority. The benefits and risks did not directly correlate with patient care nor was environmental sustainability considered a benefit or viewed as highly strategic.
 - When the Capital Committee brought forward the list of prioritized needs to the Senior Leadership Team (SLT), the prioritization and scoring of the EV Charging Stations were challenged. SLT concluded that the charging stations support the reduction of air pollution, leading to healthier outcomes for people and patients and promoting environmental sustainability.
- **The EV charging stations were approved for the capital budget by SLT, despite having been initially ranked as a low priority by the Capital Committee.**

Case Study Evaluation

Evidence

- Sustainability
- Clinical

Strong environmental evidence:

- Transportation accounts for a quarter of Canada's greenhouse gas emissions (GHG), of which almost half comes from passenger cars and light trucks.
- The Government of Canada has set ambitious federal targets of zero-emission vehicles (ZEVs) reaching 10% of light-duty vehicle sales by 2025, 30% by 2030 and 100% by 2035.

Business Case

Negative businesses case:

- Women's College Hospital decided to pursue EV charging due to alignment with their corporate commitment to sustainability and strategy to maintain LEED designation.

Existing incentive (ZEV Infrastructure Program):

- Incentives can support and expand the building of EV charging infrastructure.

Supply Availability & Reliability

No issues with availability & reliability of EV chargers.

Change Management

- Internal
- External

Internal – Careful change management may be required, including:

- Elevating sustainability as a strategic priority within organizations in order to integrate sustainability within capital planning and evaluation.
- Addressing the perception of scarce resources, which leads to low prioritization of sustainability investments.

Quality & Safety Evaluation: Bioplastics

Evaluating Bioplastics

- UHN
- Ed Rubinstein, Director, Energy & Environment

- UHN evaluated bioplastics as a possible replacement for single-use plastics:
 - Bioplastics are marketed as sustainable alternatives to conventional plastics due to renewable biomass material sourcing and claims of biodegradability.
 - Not enough evidence is available to indicate bioplastics are better alternatives.
- **UHN's evaluation indicated that there would be low value for investing in bioplastic products in comparison to other potential waste initiatives that could be implemented (such as improving existing recycling programs).**

Case Study Evaluation

Evidence

- Sustainability
- Clinical

Little to no clinical or environmental evidence:

- Life cycle analysis:
 - Some bioplastics have a higher carbon footprint than conventional plastics.
 - Need to evaluate the environmental impacts of sourcing renewable feedstocks.
- Marketed as "biodegradable" or "compostable":
 - Biodegradable: may result in microplastics and associated adverse impacts on the environment and biota.
 - Compostable: typically requires an industrial composting facility.
 - Need to evaluate if claims are verifiable with supporting evidence and if processing facilities support biodegradation or compost of product.
- Chemical additives: bioplastics can have additives, often proprietary, which can be toxic to human health and ecosystems.
- Certifications/Eco-labels:
 - Canada currently lacks labelling rules for "compostable", "biodegradable", or "degradable", which poses a significant challenge for the verification of claims.

Business Case

No cost savings or other significant value add:

- Low-value financial and time investment compared to other potential waste initiatives that could be implemented.
- #### Organizational reputation risk:
- If biodegradability/compostability claims lack validity.

Supply Availability & Reliability

Somewhat limited availability of quality products and reliable vendors.

Change Management

- Internal
- External

Internal - Careful change management planning required:

- Effective implementation of waste segregation:
 - May require multiple waste streams, additional pickup, and additional bins.
 - May require processing (removal of nose clip and ear loops).
 - Need to evaluate if the processing facility will allow for complete biodegradation (depending on pH, temperature, anaerobic/aerobic conditions, equipment, etc.). Some facilities screen out bioplastics.

Internal/external resistance is a potential barrier (if extra workflow is added).

Change Management: Reusable Gowns

Reusable Gowns

- Humber River Hospital
- Jhanvi Solanki, VP Clinical Programs

- PPE shortage during the COVID-19 pandemic led to the shift towards reusable gowns at Humber River Hospital.
- Procurement of reusable gowns was also a challenge at the time.
 - Hospital staff supported making gowns.
 - Gowns had to be evaluated in-house in terms of medical grade and what areas of the hospital they could be safely utilized.
 - Now, Humber River Hospital contracts Ecotex for gown supply and laundering.
- Change management challenge:
 - Had to engage clinical staff in understanding that the reusable gowns provide the same level of protection.
 - Currently, Humber River is trying to implement reusable gowns in operating rooms and is facing resistance, but plans to continue clinical engagement.
- **Costs savings and alignment with Humber River's "lean & green" values.**

Case Study Evaluation

Evidence

- Sustainability
- Clinical

Strong sustainability and clinical evidence:

- [CASCADES Sustainable Perioperative Care Playbook](#)
- [Reusable Gowns Project Charter](#)
- [Intercollegiate Green Theatre Checklist](#)

Business Case

Cost savings when considering the total cost of ownership:

- Justification of higher cost due to alignment with corporate strategy and value.

Supply Availability & Reliability

Need to evaluate the availability of quality gowns and the capacity for laundering services:

- Reusables can mitigate supply risks with disposables.

Change Management

- Internal
- External

Internal – Change management required:

- Need to leverage clinical community interest and commitment:
 - Internal resistance may be a significant barrier.
 - Staff engagement is necessary for satisfaction and building confidence.
- Evaluation of internal resources and systems to support change.
 - May need to change or set-up laundering system.

External – Change management required:

- Evaluation of external systems required to support change (i.e., laundering contract and system).
- Navigation of contract terms and conditions.