

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ENCOURAGING) RESOLUTION NO 02-3146B
THE PROCUREMENT OF WOOD)
PRODUCTS FROM SUSTAINABLE) Introduced by Councilor Rex Burkholder
SOURCES AND PROMOTING THE)
SUSTAINABLE FOREST PRODUCT)
INDUSTRY)

WHEREAS, timber production that is sustainable maintains the long-term biological and economic viability of commercial forests, protects biodiversity, and provides a continuous stream of social and economic benefits to residents of the Metro region and to communities across all of Oregon; and

WHEREAS, increasing the market demand for wood products that come from forests managed and harvested in an ecologically sound, sustainable manner will provide an incentive for commercial timberland operators to sustainably manage more of their forest acreage; and

WHEREAS, Metro wishes to exercise its power to make economic decisions involving its own funds as a participant in the marketplace and to conduct its own business as a municipal corporation to ensure that purchases and expenditures of public monies are made in a manner consistent with sound environmental policies and practices and that promotes the economic health and stability of Oregon-based lumber and wood product businesses; and

WHEREAS, Metro seeks to encourage the establishment of programs designed to strengthen sustainable forestry; and

WHEREAS, Metro seeks an unbiased certification process that may enable the easy and reliable purchase of sustainable wood products without the need for Metro to create burdensome administrative procedures or to incur excessive costs; and

WHEREAS, a preference for wood that derives from certified well-managed forests will not create shortages of building supplies for Metro, inasmuch as many acceptable equivalents are available; now, therefore,

BE IT RESOLVED,

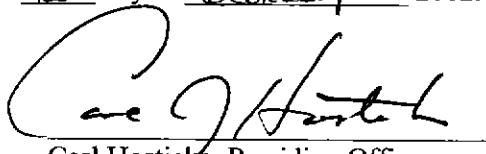
That the Executive Officer shall seek to meet the goals of this resolution by undertaking an examination of optimal product procurement policies and coordinating Metro's efforts with other local governments in the region. The Executive Officer's examination should specifically include a review of:

- (a) A neutral and unbiased methodology for certification that promotes the long-term biological and economic viability of commercial forests, the biodiversity of commercial forests, and the economic vitality of resource-based communities throughout Oregon; and
- (b) Options to eliminate the purchase of products that are manufactured from uncertified old growth wood or uncertified tropical hardwoods; and


- (c) The availability of wood products that derive from certified well-managed forests as acceptable equivalents to wood products that derive from forests that are not certified well-managed; and
- (d) The amount of cost variance between common products that derive from certified well-managed forests as compared with equivalent products from forest that are not certified well-managed; and
- (e) The Executive Officer's recommendations regarding changes to Metro Code and to Metro's administrative policies and procedures that are necessary to achieve the goals of this resolution; and
- (f) The amount of additional staff time and expense that are likely to be incurred by Metro on an annual basis as a result of adopting additional policies and procedures intended to achieve the goals of this resolution; and
- (g) Opportunities to coordinate the development of and implementation of product procurement policies with other local governments in order to meet the goals of this resolution; and
- (h) Whether implementation of the Executive Officer's recommendations should be phased in to permit the wood product providers and forest managers to adapt to such changes and to the need to meet whatever forest certification requirements that the Executive Officer recommends be adopted.

The Executive Officer shall report his findings and recommendations to the Metro Council no later than 180 days from the date of approval of this resolution.

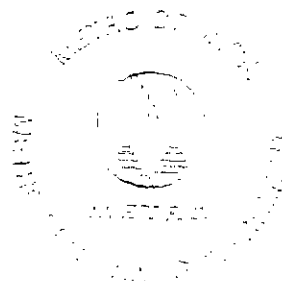
ADOPTED by the Metro Council this 28th day of FEBRUARY 2002.


Carl Hosticka, Presiding Officer

Approved as to Form:


Daniel B. Cooper, General Counsel

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The Executive Officer shall report his findings and recommendations to the Metro Council no later than 180 days from the date of approval of this resolution.

ADOPTED by the Metro Council this ____ day of _____ 2002.

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GOVERNMENTAL AFFAIRS COMMITTEE REPORT

CONSIDERATION OF RESOLUTION NO. 01-3146B, FOR THE PURPOSE OF ENCOURAGING THE PROCUREMENT OF WOOD PRODUCTS FROM SUSTAINABLE SOURCES AND PROMOTING THE SUSTAINABLE FOREST PRODUCT INDUSTRY

Date: February 19, 2002

Presented by: Councilor Burkholder

Committee Recommendation: At its February 14 meeting, the committee considered Resolution No. 01-3146 and voted unanimously to send the resolution, as amended, to the Council for adoption. Voting in favor: Councilors Monroe and Burkholder and Chair Bragdon.

Background: The intent of the proposed resolution is to request that the Executive Officer direct staff to undertake an analysis and make recommendations concerning changes in Metro's purchasing practices to support the procurement of wood products from sustainable resources. The recommendations would need to be consistent with, and likely amend, Metro Code Chapter 2.04. Any changes also would have to conform to applicable state law in ORS Chapter 279.

Committee Discussion:

The committee considered the proposed resolution at both its January 24 and February 14 meetings. At the January 24 meeting, Councilor Burkholder reviewed the staff report and the intent of the resolution. He noted that he introduced the resolution at the request of several constituents who believe that Metro should not use old growth wood products. He explained that the initial step in the process to modify Metro's wood product purchasing patterns would be to review programs that provide independent certification of wood products produced from sustainable resources.

Representatives from the Sierra Club, the Northwest Chapter of Rainforest Relief and Sustainable Northwest all testified in favor of the resolution, but noted that its language should be strengthened to protect old growth and tropical hardwood forests.

Chair Bragdon asked about the potential impact on the Convention Center expansion project. Jeff Lockwood, representing Rainforest Relief, indicated that virtually all of the wood in the expansion project is from second-growth forests.

Chair Bragdon also asked if Metro would just be transferring potential environmental damage to another part of the world. He also noted that he did not want to give an unfair advantage to foreign competitors that would not be subject to the same level of regulation. Joe Keating, representing the Sierra Club, indicated that many environmental groups are working to improve logging practices on an international basis.

Councilor Burkholder indicated that Metro should work with its local partners in addressing this issue. Councilor Monroe suggested that language could be added relating to local cooperation.

At Councilor Burkholder's request, the resolution was held over to give him an opportunity to consider potential amendments related to old growth and tropical hardwoods and local government coordination.

At the February 14 meeting, Councilor Burkholder presented amendments to the proposed resolution. The amendments added a new (b) to the "be it resolved" language related to the examination of options for the elimination of products manufactured from uncertified old growth and uncertified tropical hardwood forests. A new (g) also would be added which would insure the coordination of Metro's efforts with those of other local governments in the region.

Those who testified at the earlier hearing testified in support of the amendments. Mr. Keating also recommended that the phrase "sustainably managed" that appears several times in the resolution be replaced with the phrase "certified well-managed". He indicated that this phrase is more clearly definable. Councilor Burkholder agreed with the proposed change. The committee approved the changes proposed by Councilor Burkholder to the original resolution and Mr. Keating's suggested change.

STAFF REPORT

In consideration of Resolution No. 02-3146, For the Purpose of Encouraging the Procurement of Wood Products from Sustainable Sources and promoting the Sustainable Forest Products Industry

Date: December 10, 2001

Presented by Rex Burkholder

DESCRIPTION:

The legislative intent of this resolution is to promote a change in purchasing behavior by Metro to support and encourage the procurement of wood products from sustainable sources. The resolution calls for the Executive Officer to examine a procurement policy to meet the goals set out in the body of the resolution and to report back to the Metro Council within 180 days after passage.

EXISTING LAW:

This resolution requests the Metro Executive Officer to direct staff to study and make recommendations ensuring that Metro's procurement policies encourage, to the greatest extent possible, the procurement of wood products from sustainable sources and the promotion of the sustainable forest products industry. This resolution is neither legislation nor a procedural matter, and is appropriately considered in the form of a resolution pursuant to Metro Code section 2.01.080.

Regarding the subject matter of this resolution, Metro's contracting policies are established in Metro Code chapter 2.04. To the extent that additional ordinances are necessary to implement the recommendations from the committee appointed to study this matter pursuant to this resolution, such ordinances would have to be consistent with, and would likely be additions or amendments to, Metro Code chapter 2.04. In addition, Oregon Revised Statutes (ORS) chapter 279 also contains additional requirements and restrictions applicable to local governments. Thus, recommended legislation must also be in compliance with such provisions. In particular, government procurement in Oregon is generally required, with limited exception; to select the lowest cost bidder or proposer that meets the specifications of a request for bids or proposals. The study committee's recommendations should include consideration of such restrictions.

BACKGROUND AND ANALYSIS:

The sustainable wood products issue brings together issues such as procurement policy with the national debate over the harvesting of old growth timber. While it appears that Metro has very little to do with affecting a national issue, it can use its economic resources toward a purchasing policy that is acceptable to the agency. This complex area has many differences of opinions and Metro must grapple with the key policy choices to implement an effective change.

OLD GROWTH DEFINITION

Numerous definitions exist for old growth. For the sake of background, two approaches to the issue are presented: one from the Oregon Department of Forestry, the other from the perspective of environmentalists. The one used by the Oregon Department of Forestry (ODF) is taken from the glossary of the Forest Ecosystem Management Assessment Team as delineated by the US Department of Agriculture in 1993:

"Old-growth conifer stand -Older forests occurring on western hemlock, mixed conifer, or mixed evergreen sites that differ significantly from younger forests in structure,

ecological function, and species composition. Old growth characteristics begin to appear in unmanaged forests at 175-250 years of age. These characteristics include (1) a patchy multi-layered canopy with trees of several age classes, (2) the presence of large living trees, (3) the presence of larger standing dead trees (snags) and down wood, and 4) the presence of species and functional processes that are representative of the potential natural community. Definitions are from the Forest Service's Pacific Northwest Experiment Station Research Note 447 and General Technical Report 285, and the 1986 interim definitions of the Old-Growth Definitions Task Force."

According to ODF, in the northwest Oregon State forests, large disturbances or timber harvest eliminated almost all old growth stands before the state acquired the lands. Currently only scattered old growth trees and a few remnant patches of old growth are known to exist in the planning area. In the future, old growth will likely occur on state forest lands in areas managed for special purposes such as riparian areas, nesting habitats for bald eagles or northern spotted owls, genetic stock of residual old growth trees remaining from the Tillamook Burn, or other areas of special concern.

ODF's "Older Forest Structure" is the managed stand type that is intended to emulate some, and possibly many, of the functions of old growth. As the *Northwest Oregon State Forests Management Plan* is implemented, scientific research and monitoring will be necessary to determine if Older Forest Structure can provide the functions of Old Growth or if the characteristics of Older Forest Structure should be modified to better emulate specific Old Growth functions.

However, there is another side to this argument that is embraced, to varying degrees, by many environmentalists.

The world's endangered, old-growth forests are the Earth's oldest and richest terrestrial ecological systems; old-growth forests are critical to maintaining soil and water productivity, moderating the effects of climate change, and are home to nearly half of all the Earth's plant and animal species; and old growth forests are also home to millions of indigenous peoples worldwide. The United States has already lost more than 96 percent of its old-growth forests and nearly three-quarters of what remains is located on public lands, mostly in National Forests. Old-growth forests are being destroyed worldwide, with more than half of the world's original forests already logged or degraded; much of this destruction has occurred within the past three decades; and industrial logging, to produce timber, pulp and paper, has been cited as the predominate threat to old-growth forests, affecting more than 70 percent of the world's threatened intact forests.

The United States is the world's largest user of wood products from old-growth forests. This fact is relevant because deforestation of old-growth forests has been scientifically linked to atmospheric imbalance and global warming, known as the Greenhouse Effect, caused by increased concentrations of carbon dioxide (CO₂) in the global atmosphere and the effects of global warming include drought, floods, melting of the polar ice caps and changes in weather patterns worldwide. In addition, the destruction of old-growth forests at the current rate results in reckless habitat destruction; habitat destruction is causing a mass extinction of plant and animal species so severe that nearly two-thirds of the world's plant and animal species will be threatened with extinction by 2100; and such extinction will result in a consequent loss of genetic diversity invaluable to the production of medicines and food products. A global reason to address this issue is because old-growth forest destruction around the world causes the displacement of indigenous tribal peoples, some of whom have never before been contacted by the modern world and displacement results in the death of these people, the destruction of their culture, and the loss

of their intimate knowledge of commercial, medicinal and nutritional uses of rainforest species, which is often superior to that of any western-trained scientist.

Many environmentalists therefore believe it is critical to the survival of the planet that the United States and other industrialized nations take immediate measures to reduce consumption of all forest products while eliminating consumption from the last remaining endangered old-growth forests to avert irreversible global environmental destruction.

Thus, many persons have called for a change in Metro's procurement process to eliminate the use of old-growth wood and wood from public lands (unless that wood is certified as sustainably harvested by the Forest Stewardship Council or a certification organization that bases its standards on the principles and criteria of the Forest Stewardship Council) with a preference for wood that is certified as sustainably harvested. Using such an approach, Metro can help foster responsible stewardship of our forest resources and can ensure that it provides its services in an ecologically sustainable way.

While protection of old growth forests has been the rallying cry for environmental groups, the rigorous application of a sustainability framework to the public policy discussion calls for a broader definition of the forests that need to be protected. For example, in certain southeastern U.S. forests, the long leaf pine is systematically being replaced by the more commercially attractive southern yellow pine. The extinction of any species diminishes the biodiversity of our ecosystem, which violates one of the key principles of any sustainability framework. The policy debate on sustainable forest management now focuses on protection of "high conservation value" forests. Old growth forests that are not managed in a certified sustainable manner would be a subset of this group. Other criteria that would qualify a forest for this group would be a need to protect biodiversity or a need to protect a social or cultural value, such as a Native American burial ground.

CHAIN OF CUSTODY ISSUES

Metro does not have sufficient information on the origins of the products the agency uses, and, in order to achieve the goals of this resolution; Metro needs to encourage forest products suppliers to adopt minimally burdensome and independently verifiable chain of custody tracking systems. This is much more difficult and contentious than it sounds.

However, a chain of custody requirement is central to the effective implementation of this procurement policy. It connects the buyer to the tree, allowing downstream market demand to move forest management in a more sustainable direction.

The rigor associated with a chain of custody requirement can be increased over time in order to let the industry adjust. For example, the initial chain of custody requirement might be provision of self-reported information, such as shipping manifests that link the various parties involved from the forest to the product. Certification would be optional in this initial phase. A trade off for adopting rigorous certification as a requirement for implementation might be that certain forest areas or wood sources might be prohibited. For example, any product coming from British Columbia might be considered off limits as a significant area of those forests are considered old growth. Also, one might eliminate purchase products from certain species associated with old growth or endangered forests, such as redwood, Western red cedar or tropical hardwoods, such as teak and mahogany.

However, it is critical to define the desired chain of custody requirement so that an effective and timely signal can be sent to the forest product industry. The desired chain of custody requirement would involve an independent (of the forest industry) third party that certifies the processes of all parties in the production chain meet consistent international standards. International standards are the ideal due to the mobility of wood flow. Significant quantities of wood and paper are imported into the U.S. for forest product manufacture or direct consumption.

CERTIFICATION

Verification of chain of custody information and the environmental standards followed by the involved parties would be extremely burdensome and costly for Metro. That role needs to be provided by independent third-party organizations. This field is rapidly evolving, with different approaches that increase the rigor in both areas of reporting and adopted environmental standards.

There are at least five organizations that provide some type of independent third-party review or certification of forest management and forest products. The Forest Stewardship Council (FSC) has emerged as an effective tool to encourage sustainable forestry by both certifying that logging practices in certain operating areas are in adherence to a set of just and responsible ecological and social principles and by then tracing such wood products from the forest to the end user. FSC is an international certification organization that is independent of the forest products industry and has the support of most environmental organizations.

The Sustainable Forest Initiative (SFI) has been developed by the American Forest & Paper Association, the U.S. trade association for the forest products industry. AF&PA requires its U.S. members to adhere to SFI standards, which has resulted in the departure of some forest companies as members of the association. It establishes a baseline of performance for U.S.-based companies that is built on the concepts of sustainable forest management.

A comparative analysis of the FSC and SFI programs was completed by the Meridian Institute in October 2001. Both programs accepted the analysis statement. While there are several similarities, there are also significant differences in certification (i.e. SFI uses self-reported data from its members), scope (e.g. SFI is U.S.-based, FSC is international), use of chemicals, biological diversity (e.g. SFI focuses on habitat diversity does not address FSC requires biological diversity and associated values), use of genetically modified organisms (e.g. SFI approves, FSC rejects), public reporting, rights of indigenous peoples and other areas.

CSA International (formerly the Canadian Standards Association International) is expanding its current certification program for Canadian forests to one that would continue through to the final product. It appears to be subscribing to similar standards used by FSC.

In addition to these comprehensive certification approaches, there are several more limited third-party efforts. The Chlorine-Free Products Association monitors the production of fibers that are made without pulp from old-growth forests and without bleaching from chlorine or chlorine compounds (which released dioxin in the discharge water).

Sustainable Northwest, a Portland-based organization, has developed a collaborative business network with six Pacific Northwest rural communities. This partnership program involves wood manufacturers that add value to wood removed as part of forest restoration. While some products come from FSC-certified forests, other products come from public forests that are not certified. However, these products are derived from utilizing "scrap trees" whose removal promotes the

overall health and increases the diversity of those forests. Sustainable Northwest provides periodic monitoring to ensure that participants adhere to its vision and values.

EMERGING PRODUCT LINES

Many believe that a sustainable wood products market is emerging. Positive reinforcement of best management practices through targeted purchasing supports those businesses and as a result created a market niche. Procurement policies can send a strong market signal to this end.

The Certified Forest Products Council (CFPC), which certifies products made from sustainably harvested wood, has only approved the FSC program to date. However, CFPC is currently reviewing the proposed certification system by CSA International.

One benefit of an independent chain of custody certification system from tree to product based on international standards is that it makes the implementation of a sustainable wood procurement policy much easier, cutting the cost and time involved. CFPC has developed a certified products database that contains 26 categories, including consumer goods, furniture, lumber, roofing, and paper and paperboard. In general, there are 10 to 30 suppliers in each category, with lumber having the most sources at 180 and paper and paperboard having the fewest number of sources at 2. However, several large paper manufacturers, particularly Canadian companies, are expected to receive certification in the next six to 12 months.

One other issue associated with certification is how to deal with products and mills that use multiple feedstock sources, of which some may be certified and some may not. FSC has adopted a standard for percentage-based claims, in which a product or party can be certified if it is shown that 70% of the feedstock comes from a certified source. In this case, a certified paper would need to be made from fiber, of which 70% came from pulp made from certified forest wood chips or from pulp made from recycled paper.

PRICE VARIANCE

Wood markets are extremely volatile and product prices fluctuate almost daily. In general, certified finished products, such as shelving, will be more price competitive than products, such as 2x4s. Also, the ability to source certified products from local manufacturers would cut down the transportation cost. Thus, one implementation strategy for cost containment might be to identify those products for which these optimal characteristics are met. In these cases, the product specification would require a chain of custody certification to standards adopted by Metro and the current low bid approach in a request for bid could be maintained.

A second strategy would be to take a product budget and expand that budget by a certain percentage that would be consistent with Metro's financial commitment of a 10% price preference to support recycled content products. For example, Metro spends about \$20,000 annually on copier paper. It would expand its budget by 10% to \$22,000 in order to support the purchase of sustainably certified paper. Metro would then issue an Request For Bid that asked for unit (e.g., per-pallet or per-case) prices on sustainably certified paper and non-certified paper. Bidders could respond to one or both categories. Metro would optimize its purchase of the certified product, while ensuring that the balance came from non-certified sources so that it obtained the total amount of paper required without exceeding its budget. Both papers would have to provide chain of custody information.

CHANGING CONTRACT REVIEW BOARD STANDARDS

If approved, this legislation would indicate that Metro wishes to exercise its power to make economic decisions involving its own funds as a participant in the marketplace and to conduct its own business as a municipal corporation to ensure that purchases and expenditures of public monies are made in a manner consistent with sound environmental policies and practices.

The change in procurement policy would affect items ranging from paper requisition to large capital projects that exceed the \$50,000 threshold. The Executive Officer will be asked to ascertain how to best accomplish the goals stated in the resolution. These include 1) a neutral and unbiased methodology for certification that promotes the long-term biological and economic viability of commercial forests, 2) the availability of wood products that derive from sustainably managed forests as acceptable equivalents to wood products that derive from forests that are not sustainably managed, 3) amount of cost variance between common products, 4) make recommendations to changes to the Metro Code and to administrative policies and procedures, 5) necessary staff work, 6) a phase-in recommendation to allow for providers to make changes and to meet needed forest certification requirements.

Beyond what is listed, the resolution places an emphasis on moving to independently certified sustainably managed forests. Metro will need to decide if it is also drawing a bottom line to reduce and eliminate by a target date any purchases for forest products that come from endangered forests, domestic or foreign. This is important in shaping a chain for custody and verification system.

Alternatives exist in examining procurement mechanisms that include certification but protect against the non-delegation doctrine (which would prohibit Metro from requiring vendors to meet certification requirements promulgated by an independent organization because those requirements could change over time without Metro approval). Metro Code could be amended to incorporate verbatim standards and goals used by a certification entity. Metro's standards would not change even if the standards of the certification entities did change. The Executive Officer could then make blanket administrative determinations that specific organizations' certification standards satisfied the Metro requirements, and the Executive Officer would also still permit other, non-privately certified vendors to show that they meet Metro's standards.

OTHER ENTITIES THAT HAVE ADOPTED SUSTAINABLE PURCHASING REQUIREMENTS:

In the past two years, several hundred companies, including Lowe's, Home Depot, and IKEA, have committed to eliminate their use of wood from endangered old-growth forests by the year 2002 or earlier and many of these companies have specified areas to be protected, such as British Columbia's Great Bear Rainforest, and have already begun to identify alternatives to old-growth wood and to make immediate substitutions.

BUDGET IMPACT:

It is anticipated that the Executive Officer will find that the goals of this resolution can be completed within existing resources. Implementation of a sustainable wood products procurement system could have a variety of budget impacts. For example, a single staff person currently administers the centralized elements of Metro's contracting process. If this new system were to require centralized administration, additional staff resources could be needed. Such

centralized administrative activities could include monitoring independent certification programs, development of administrative procedures and standardized contract language and review of individual department contracts for compliance.

The sustainable wood products industry is an emerging one. Thus, the number of vendors capable of providing a particular product may be limited. This potential lack of a competitive marketplace could result in higher product costs.

State law may currently limit the types of bidding processes that could be utilized to implement this new procurement system. For example, current law may not authorize the granting of price preferences for the purchase of sustainable wood products. If such preferences could not be given, Metro might be required to use a request for proposal (RFP) procurement process rather than a request for bid (RFB) process. The use of an RFP process is generally considered to be more costly than an RFB process because the bid documents and the evaluation process are more complex and time consuming.

Price preferences generally provide that the purchaser (Metro) would be willing to pay up to a set percentage more for a product that meets certain standards. In this case the standard would be that the item is a sustainable wood product. Such price preferences generally range from 5-10%. If the use of price preferences is permitted or authorized by the legislature at some future date, such preferences could result in higher product costs.

OUTSTANDING QUESTIONS:

1. How would this policy effect Oregon's timber industry?
2. Will this legislation damage or enhance our relationship with rural legislators?
3. How does Metro identify old-growth forests and endangered tropical hardwood species, mills that source from these forests and use these wood species, and common products?
4. How would the requirement of this chain of custody information affect the lead-time that Metro needs to give contractors and vendors during a bid?
5. Should Metro become a member of Certified Forest Products Council? How could this policy best be implemented without violating the non-delegation doctrine?
6. Should Metro require chain of custody information from products it uses as a course of business, but that it does not purchase?
7. Can the goals of this resolution be achieved without granting a price preference for sustainable wood products? If not, can a price preference be implemented consistent with Oregon law, or would Oregon law have to be amended to include such a price preference?

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The Executive Officer shall report his findings and recommendations to the Metro Council no later than 180 days from the date of approval of this resolution.

ADOPTED by the Metro Council this _____ day of _____ 2002.

Carl Hosticka, Presiding Officer

Approved as to Form:

Daniel B. Cooper, General Counsel

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BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ENCOURAGING) RESOLUTION NO 02-3146
THE PROCUREMENT OF WOOD)
PRODUCTS FROM SUSTAINABLE) Introduced by Councilor Rex Burkholder
SOURCES AND PROMOTING THE)
SUSTAINABLE FOREST PRODUCT)
INDUSTRY)

WHEREAS, timber production that is sustainable maintains the long-term biological and economic viability of commercial forests, protects biodiversity, and provides a continuous stream of social and economic benefits to residents of the Metro region and to communities across all of Oregon; and

WHEREAS, increasing the market demand for wood products that come from forests managed and harvested in an ecologically sound, sustainable manner will provide an incentive for commercial timberland operators to sustainably manage more of their forest acreage; and

WHEREAS, Metro wishes to exercise its power to make economic decisions involving its own funds as a participant in the marketplace and to conduct its own business as a municipal corporation to ensure that purchases and expenditures of public monies are made in a manner consistent with sound environmental policies and practices and that promotes the economic health and stability of Oregon-based lumber and wood product businesses; and

WHEREAS, Metro seeks to encourage the establishment of programs designed to encourage sustainable forestry by giving preference to products from such forests; and

WHEREAS, Metro seeks an unbiased certification process that may enable the easy and reliable purchase of sustainable wood products without the need for Metro to create burdensome administrative procedures or to incur excessive costs; and

WHEREAS, a preference for wood that derives from sustainably managed forests will not create shortages of building supplies for Metro, inasmuch as many acceptable equivalents are available; now, therefore,

BE IT RESOLVED,

That the Executive Officer shall undertake an examination of optimal product procurement policies to meet the goals of this resolution. The Executive Officer's examination should specifically include a review of:

- (a) A neutral and unbiased methodology for certification that promotes the long-term biological and economic viability of commercial forests, the biodiversity of commercial forests, and the economic vitality of resource-based communities throughout Oregon; and
- (b) The availability of wood products that derive from sustainably managed forests as acceptable equivalents to wood products that derive from forests that are not sustainably managed; and

- (c) The amount of cost variance between common products that derive from sustainably managed forests as compared with equivalent products from forest that are not sustainably managed; and
- (d) The Executive Officer's recommendations regarding changes to Metro Code and to Metro's administrative policies and procedures that are necessary to achieve the goals of this resolution; and
- (e) The amount of additional staff time and expense that are likely to be incurred by Metro on an annual basis as a result of adopting additional policies and procedures intended to achieve the goals of this resolution; and
- (f) Whether implementation of the Executive Officer's recommendations should be phased in to permit the wood product providers and forest managers to adapt to such changes and to the need to meet whatever forest certification requirements that the Executive Officer recommends be adopted.

The Executive Officer shall report his findings and recommendations to the Metro Council no later than 180 days from the date of approval of this resolution.

ADOPTED by the Metro Council this ____ day of _____ 2002.

Carl Hosticka, Presiding Officer

Approved as to Form:

Daniel B. Cooper, General Counsel

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