

RESOLUTION NO. 2024-26

**A RESOLUTION OF THE FLAGSTAFF CITY COUNCIL, AMENDING THE  
PROCUREMENT CODE MANUAL, ARTICLE 4 AND ADDING ARTICLE 32,  
AND ESTABLISHING AN EFFECTIVE DATE**

**RECITALS:**

WHEREAS, the City of Flagstaff has adopted a process for the procurement of goods and services set forth in the Procurement Code Manual; and

WHEREAS, the Flagstaff City Council desires to amend the *Procurement Code Manual* by adding additional language related to Articles 4 Definitions and adding a new Article 32 Sustainable Procurement; and

WHEREAS, the Flagstaff City Council desires to amend the *Procurement Code Manual* by adding a new Article 32 Sustainable Procurement.

**ENACTMENTS:**

**NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FLAGSTAFF AS  
FOLLOWS:**

That the *Procurement Code Manual*, Article 4, and new Article 32, are hereby amended as follows:

SECTION 1. The Procurement Code Manual hereto and hereby incorporated herein is hereby amended as follows:

**Article 4            Definitions**

***Direct fossil fuel industry relationship*** means companies that fund operations and companies associated with extracting, producing, and investing in fossil fuels.

***Financial Services*** means contractual services with businesses that manage money including banking services, deposits, treasury management, credit cards, payment services, and loans/leases.

***Fossil Fuel Industry*** means the sector involved in the exploration, extraction, production, and distribution of fossil fuels. These fuels include coal, oil, and natural gas.

***Fossil Fuel Adjacent Companies*** means businesses that operate closely with or provide services to the Fossil Fuel Industry but are not directly involved in the exploration, extraction, production, and distribution of fossil fuels themselves. These companies may include suppliers of equipment and technology used in fossil fuel extraction, transportation, and refining processes, as well as firms engaged in activities such as exploration, environmental remediation, consulting, or finance tailored specifically to the fossil fuel sector.

***Indirect fossil fuel industry relationship*** means companies that fund companies that

themselves have exposure to fossil fuel investments.

**Article 32**            **Sustainable Procurement**

The City of Flagstaff recognizes the importance of focusing procurement processes on sustainable purchasing practices. All procurements will require consideration of the following sub articles.

**Section 32.1**            **Financial Services**

- A. When procuring Financial Services, the Purchasing Agent will follow the prescribed process below related to relationships with the Fossil Fuel Industry.
- B. When procuring Financial Services through a competitive process, the following evaluative criteria will be included in the solicitation regarding the relationship between the firm and the Fossil Fuel Industry.
  1. Evaluation criteria are determined by the Purchasing Director and the end-user or City Treasurer. Evaluation criteria shall be objectively measurable and allow for the evaluation, selection, and award of a contract in the best interest of the City.
  2. Lesser direct business relationships with the Fossil Fuel Industry will provide a higher point value. Demonstration of approach to limiting future direct involvement with the Fossil Fuel Industry will be considered.
  3. All solicitations advertised shall include the evaluation criterion “Business with the Fossil Fuel Industry” as follows:

**Business with the Fossil Fuel Industry (10 points/10%)**

Financial institutions with greater relationships with the Fossil Fuel Industry will be assessed a lower point value. Financial institutions showing a commitment to climate action, carbon neutrality, and reducing relationships with the Fossil Fuel Industry will gain a higher point value. Financial institutions doing business with the City of Flagstaff must provide documentation showing their involvement with the Fossil Fuel Industry.

**Relationships with Fossil Fuel Industry**

1. Explain your institutional involvement with the Fossil Fuel Industry.
2. Describe what Fossil Fuel Industry that you currently provide financing. Provide a list of your current financing by type and amount.

**Commitment to Climate Action**

1. Share your institution’s commitment to climate action and reduction of investment in the Fossil Fuel Industry.
2. Include any initiatives your company has for reducing carbon emissions and how long the initiatives have been in place, as well as financing

towards green energy (i.e., solar, wind, etc.).

3. Please provide at least two years of progress reports toward carbon emission reductions.
4. Provide your company's initiatives to reduce financing for the Fossil Fuel Industry.

SECTION 2. The Management Services Division and the City Clerk are authorized and directed to edit and correct clerical errors or typographical and/or grammatical errors of working and punctuation.

SECTION 3. This resolution shall be immediately effective upon adoption.

PASSED AND ADOPTED by the City Council of the City of Flagstaff this 4th day of June, 2024.

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MAYOR

ATTEST:

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CITY CLERK

APPROVED AS TO FORM:

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CITY ATTORNEY