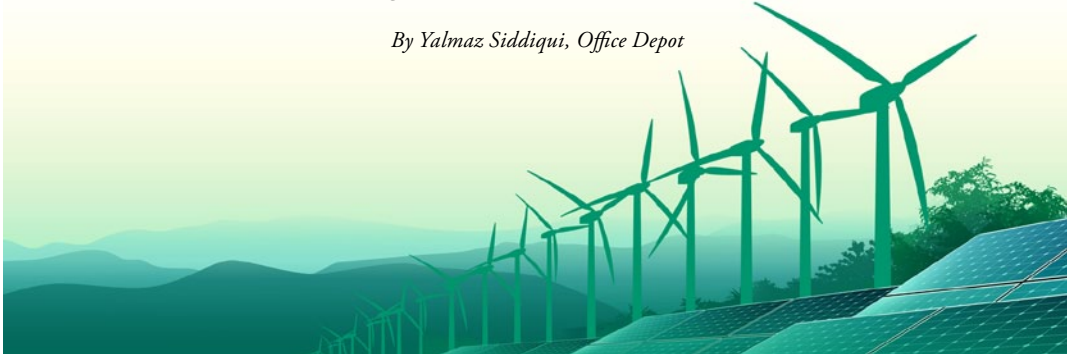




Getting to 95 Percent Sustainable Purchasing: A 10 Point Plan

Achieving the mandates under Executive Order 13514 requires a framework for planning how best to meet the targets within the proposed 2011 to 2021 timeframe

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A definitive mandate for Federal Purchasers

In October 2009, President Obama signed EO 13514: Federal Leadership in Environmental, Energy and Economic Performance. One paragraph in the EO is most critical for federal purchasers, and contractors who serve the Federal marketplace:

[Section (2)(b)] advance sustainable acquisition to ensure that 95 percent of new contract actions including task and delivery orders, for products and services with the exception of acquisition of weapon systems, are energy efficient (Energy Star or Federal Energy Management Program (FEMP) designated), water-efficient, bio-based, environmentally preferable (e.g., Electronic Product Environmental Assessment Tool (EPEAT) certified), non-ozone depleting, contain recycled content, or are non-toxic or less-toxic alternatives, where such products and services meet agency performance requirements.

The EO also requires that agencies prepare scorecards, make them publicly available and achieve targets. As such, EO 13514 potentially represents a very significant shift in the way the world’s largest buyer of goods and services spends money, and tracks how it is spent.

The first question: “who is affected?”

A question that federal agencies may first consider is “who is affected?” The purchasing clauses affect five groups the most:

1. Purchasing Executives those who write procurement policies for the agencies need to know the definition of “sustainable product” and be able to source such items.
2. End user purchasers and specifiers – End user purchasers and those who specify purchases will need to be aware of the new sustainability requirements and ensure their purchasing addressed the new requirements.
3. Agency heads and Sustainability Executives – those who are ultimately accountable for achievement of the 95 percent target need to find the best ways to encourage all parts of their agency to support the sustainable purchasing goals by developing a plan that focuses on priority opportunities, breaks down barriers to implementation, and communicates results achieved.
4. General Services Administration (GSA) contractors are also affected in that they will need to provide new designations on products, potentially develop or source new products that are compliant with EO 13514 definitions of “sustainable,” and develop enhanced reporting tools that help agency’s document progress towards the 95 percent goal.

5. Purchasing Analysts and Consultants – those who track spending by federal agencies need to design, develop, implement and find the best ways to track purchases in order to populate scorecards with metrics and track how the agency’s “sustainable spend” is trending. This may need to be done at the department level and the agency level.

Ten point plan overview

Given the magnitude of the potential shift in purchasing, the key question after “who is affected?” is “what needs to be done, and in what order?” The correct sequencing of tasks may actually be as important as defining the tasks themselves.

The following 10 point plan is offered as a potential guide. While this plan does not purport to provide all the answers - or necessarily even explore all the questions - it is presented as one possible framework for clarifying the complex task before agency heads. These suggestions are also not intended to conflict with current or future guidance from GSA or any other government body – that guidance would take precedence over the ideas presented below..

Step 1: Understand current spend by agency on products

The first step is to understand the dollar value of spend (irrespective of sustainable purchasing requirements) across products covered by EO 13514. While spending on weapons systems is excluded, all other spend on products by the agency is included. The fact that many GSA contracts are for services is a point of potential complexity. One approach could be to exclude services, although this will result in under-reporting of total spend. Another, more complex approach could be to ask vendors of services to estimate the costs of physical products used in the completion of the service (e.g. costs of cleaning products in a janitorial contract) separately from the overall costs. A third approach could be to designate certain service contracts as “green” and ensure all products purchased by contractors under the contract meet one or more sustainable purchasing definitions.

Step 2: Subdivide current Agency Spend into relevant product categories

An important next step could be to subdivide total spend into product categories. Since products can be

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categorized in many ways, one possible approach is to focus on the categories that the Environmental Protection Agency (EPA), Department of Energy and Department of Agriculture (USDA) have issued environmental designations for. If this approach is taken, agency spend would be split into these broad categories: building construction; traffic control; landscaping; roadway construction; building interior; building finishes; paper office products; printing; non-paper office products; office electronics; refrigeration and air conditioning; renewable energy; vehicle products; park and recreation; cleaning products; cafeteria services; lubricants, oils, hydraulic fluids and greases; and miscellaneous.

Since some products could logically belong in more than one category, it may be helpful to review the Office of the Federal Environment Executive’s document “Designated Green Products for Federal Procurement.”. This document can be found online using the document name – it provides an overview of where products fit into the categories above.

Step 3: Understand “Sustainable Purchasing” requirements in the Executive Order 13514

While the Executive Order itself provides high level definitions of “sustainable product,” more detailed guidance is in the GSA document “Modernization of Federal Acquisition Service Environmental Symbols,” available through an internet search using this term. Table 1 summarizes this document and explains the environmental, economic and health benefits of seeking products that meet the requirements. There is a chance that GSA will provide updated guidance on environmental symbols in the future — the paragraphs below summarizes the guidance as of October 2010.



Sustainable Purchasing Requirements focused on saving resources and using bio-based/renewable materials:

Comprehensive Procurement Guidelines (CPG) compliant: CPG is an EPA designation focused on recycled content. The CPG recommend post-consumer recycled (PCR) and total recovered (TR) content levels, in a number of product categories. Recycled content levels range from 1 percent to 100 percent, depending on material type and product sub-category, and both PCR and TR thresholds need to be met for a product to be deemed “CPG compliant.” Purchasing CPG compliant products can help agency’s divert materials from landfills, and reduce the need for using new resources.

BioPreferred: BioPreferred focuses on use of “bio-based” materials. It is a USDA designation that encourages purchase of products made with agricultural materials such as soy, corn, sugar cane etc. BioPreferred content requirements range from 7 percent to 95 percent bio-based materials depending on the product sub-category. Purchasing BioPreferred items can help agencies support farmers and encourage manufacturers to use alternatives to synthetic chemicals.

Forest Stewardship Council (FSC) certified: The FSC is a non-governmental organization focused on developing principles for responsible forestry. Purchasing FSC-certified wood and paper products can help agencies encourage the careful management of forest resources.

WaterSense: WaterSense is an EPA designation for water-efficient products. Purchasing WaterSense-labeled products can help agencies reduce the use and cost of water associated with their operations.

“Products earn the ENERGY STAR label by meeting energy efficiency requirements from the Department of Energy. Purchasing ENERGY STAR products can help agencies save energy, reduce utility bills and reduce greenhouse gases.”

PRIME: The U.S. Navy’s Plastic Removal In Marine Environment (PRIME) Program aims to reduce the amount and potential impact of plastic waste generated aboard surface ships. Items designated under the PRIME program require biodegradable packing materials.

Sustainable Purchasing Requirements focused on saving energy and reducing greenhouse gas emissions:

ENERGY STAR Qualified: Products earn the ENERGY STAR label by meeting energy efficiency requirements from the Department of Energy. Purchasing ENERGY STAR products can help agencies save energy, reduce utility bills and reduce greenhouse gases (GHG).

Federal Energy Management Program (FEMP): FEMP focuses on appliances/technology products or lighting products that are in the upper 25 percent of energy-efficiency in their category. FEMP designated products are often, but not always, also ENERGY STAR qualified.

Sustainable Purchasing Requirements focused on safer chemicals:

Low VOC: Low VOC designated products meet California guidelines for Volatile Organic Compounds. VOCs become gases at room temperature, and in sufficient quantities can cause eye, nose and throat irritations as well as headaches, dizziness and other potential health effects. Purchasing Low VOC products can help Agencies safeguard employee health by reducing their exposure to harsh chemicals within the workplace.

GREENGUARD-Certified: The GREENGUARD Institute is a non-governmental certification body that focuses on improving indoor air quality and reducing VOCs. GREENGUARD-certified products help Agencies safeguard employee health by reducing their exposure to harsh chemicals within the workplace.

Significant New Alternatives Policy (SNAP): SNAP focuses on use of ‘non-ozone-depleting’ chemicals. Purchasing SNAP-approved products help Agencies limit their potential contribution to growth of the ozone hole.

National Emission Standards for Hazardous Air Pollutants (NESHAP) Compliant: NESHAP compliant products meet the NESHAP. Purchasing NESHAP compliant products can help agencies limit exposure to toxic air pollutants in the workplace.

EPA Primary Metals Free: EPA Primary Metals Free products do not contain lead, cadmium or mercury. Purchasing EPA Primary Metals Free items can help agencies limit the use of potentially hazardous metals.

Sustainable requirements focused on multiple environmental attributes:

GreenSeal: GreenSeal is a third party certifier and standard-setter of environmentally preferable products. By purchasing GreenSeal certified products, Agencies can support industry best practices in terms of environmental

impact reduction across the lifecycle from raw material extraction to disposal.

EPEAT: EPEAT is the Electronic Product Environmental Assessment Tool. Electronics can be designated EPEAT Bronze / Silver / Gold depending on the number and type of environmentally preferable attributes associated with their production, use, packaging or disposal. By seeking EPEAT items, Agencies can purchase the most environmentally conscious electronics available.

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Product Category	Most Relevant Sustainable Purchasing Requirements/Icons
<i>Note: these requirements apply to different product types within their broad product categories</i>	
Building Construction	CPG, Energy Star, FEMP, WaterSense SNAP
Traffic Control	CPG
Landscaping	CPG, WaterSense
Roadway Construction	CPG, BioPreferred
Building Interior	Energy Star, FEMP, WaterSense, CPG, SNAP, Low VOC, FSC, GREENGUARD
Building Finishes	CPG, ENERGY STAR, FEMP, BioPreferred, Low VOC, GREENGUARD
Paper Office Products	CPG, GreenSeal, FSC
Printing	CPG, GreenSeal, FSC
Non-Paper Office Products	CPG, GreenSeal, FSC, GREENGUARD, Low VOC
Office Electronics	ENERGY STAR, FEMP, EPEAT, EPA Primary Metals Free
Refrigeration & AC	SNAP, ENERGY STAR, EPA Primary Metals Free
Renewable Energy	Energy from these sources is designated "sustainable" Biomass, Geothermal, Hydro, Municipal Solid Waste, Ocean, Solar, Wind
Vehicle Products	BioPreferred, CPG. Also, Alternative Fuels of these types: Biodiesel, Ethanol, Biomass, Electricity, Hydrogen, Methanol, Natural Gas, Propane, P-Series
Park and Recreation	CPG
Cleaning Products	BioPreferred, CPG, GreenSeal, FSC, Low VOC
Cafeteria Services	BioPreferred, CPG, ENERGY STAR, FEMP, GreenSeal
Lube, Oil, Hydraulic, Grease	BioPreferred, CPG, GreenSeal
Miscellaneous	All requirements including NESHAP and PRIME

Table 2: Product Categories and Most Relevant Sustainable Purchasing Requirements in EO 13514



A product may be “sustainable” for more than one reason. For example, a paper product may meet EO 13514’s Sustainable Purchasing Requirements if it is CPG compliant and/or it is GreenSeal certified, and/or it is FSC certified. An electronic product could be sustainable if it is ENERGY STAR qualified and/or EPEAT registered and/or FEMP designated and/or EPA Primary Metals Free.

Step 4: Understand which Sustainable Purchasing Requirements apply to which product category

In some product categories, there is one sustainable purchasing criterion. In others there may be different requirements for different sub-categories of products or even multiple possible requirements for a single product. An important next step therefore is to understand which sustainable requirements are relevant to which product categories.

Step 5: Create a baseline “EO 13514 Compliant Spend Report” for your Agency

The next step is to compare total agency spend vs. spend on products that meet one or more relevant sustainable purchasing requirements. To avoid double-counting, an appropriate calculation methodology may be to count expenditure on items that do not meet any sustainable purchasing requirements as not compliant with EO 13514, and spend on all items that meet one or more sustainable purchasing requirements as compliant with EO 13514.

The baseline report may take time some time to build because agencies may need to engage their contractors, and encourage investment in time, training and technology by the agency and/or the contractors.

One important consideration when creating this report is where to assign items that do not clearly fit into an existing product category. An answer may be provided by reviewing the spreadsheet “Designated Green Products for Federal Procurement,” within which sub categories are delineated. If there is no clear sub category, it may be best to categorize the item as “Miscellaneous.”

Step 6: Decide priorities for Sustainable Purchasing

Once a baseline has been established, the next question is how to identify priorities to help move the agency towards 95 percent sustainable purchasing most efficiently. Seven main prioritization options could be considered:

- 1. **Statutory Mandate:** Some sustainable purchasing designations are based on statutory mandate, and others fall outside mandate. Focusing on statutory designations can help an agency focus first on compliance. By statute, agencies are required to purchase recycled content products designated by EPA (CPG compliant), ENERGY STAR products, FEMP products, alternative fuel vehicles/alternative fuels, and biobased products designated by USDA. Also, when agencies purchase electronics covered by the EPEAT standard, 95 percent of those electronics must be EPEAT-registered products.
- 2. **Highest spend:** An agency could also focus on the product categories where it spends most. It would then identify sub categories where a transition to sustainable purchasing could readily be made.
- 3. **Smallest gap in sustainable spending:** An agency could focus on the categories where it’s buyers are already purchasing in alignment with EO 13514 requirements. The task would be to determine where and why some agency staff are not choosing the commonly sought sustainable options; and help transition their spend towards compliance.
- 4. **Largest gap in sustainable spending:** An agency could focus on the product categories where its buyers are not purchasing in alignment with EO 13514 requirements. This approach requires uncovering the main barriers to sustainable purchasing. These may include lack of availability, high actual or perceived cost, poor real or perceived quality, etc. Pursuing this priority will require a period of discovery, and then an attempt to address the barriers by engaging contractors and/or agency end-purchasers or specifiers.

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- 5. **Agency environmental priorities:** An agency could focus on the environmental issues most relevant to its organizational interests. For example, the Department of Energy may prioritize ENERGY STAR and FEMP products because they focus on energy; the USDA may prioritize BioPreferred because it focuses on agricultural products; the U.S. Navy may prefer PRIME. Pursuing this path will require training agency end purchasers so they are aware of the agency’s environmental focus areas.
- 6. **Multi-Attribute vs. Single Attribute focus:** An agency could decide to focus on products with multi-attribute environmental benefits. In the list above Green Seal and EPEAT qualify. There are many other multi-attribute eco-labels that are currently not on the GSA symbols list, but have the potential to be included in the future.
- 7. **Next major contract actions:** Finally, an agency could focus on its next major purchases. This would allow the agency to ignore current spend patterns, and focus its attention on major upcoming RFPs (Requests for Proposal) or BPAs (Blanket Purchase Agreements). For example, if the Agency is upgrading its furniture – the agency could specify furniture that meets one or more of the following relevant designations: CPG, FSC, GREENGUARD or BioPreferred.

Step 7: Engage contractors to tag sustainable products & create Spend Reports

Tracking Sustainable Spend may be a new requirement for the agency and its contractors. As such, investments may be needed in new technology, processes and reporting systems. Much work would have to be done collaboratively with the agency’s contractor community since their IT systems would need to designate items with relevant “Sustainable” icons, display such icons on GSA/agency websites, and be able to deliver the Sustainable Spend reports to agency staff.

Such investments would need to enable agencies to efficiently and accurately tabulate spend into “EO 13514 compliant”, “EO 13514 non-compliant” and “EO 13514 Exempt” reports. These systems would be used to monitor trends in agency spend by product category and sustainable purchasing requirement.

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Step 8: Write implementation-focused Sustainable Purchasing Policies for the agency

Once priorities have been established, and reporting systems created, the next step would be to write implementation focused sustainable purchasing policies that clearly and succinctly provide guidance to end purchasers on Agency expectations.

Best practice guidance from the U.S. Green Building Council and others suggest an effective sustainable purchasing policy would include the following elements:

- 1. Scope = What product categories are included?
- 2. Specification = What attributes and certifications should be sought?
- 3. Responsible Party = Who exactly is accountable for the purchase?
- 4. Metric = How will we track successful implementation?
- 5. Goals = What is the agency aiming to achieve with the policy?
- 6. Time Period = Over what timeframe will the policy be implemented?
- 7. Procedure = How exactly will end purchasers meet the goals of the policy?

Step 9: Engage agency end-purchasers with most control over purchasing decisions

In most organizations, relatively few individuals make the final decisions on what products are purchased. By identifying, engaging and training these individuals to comply with new requirements, the likelihood of implementation will greatly increase.

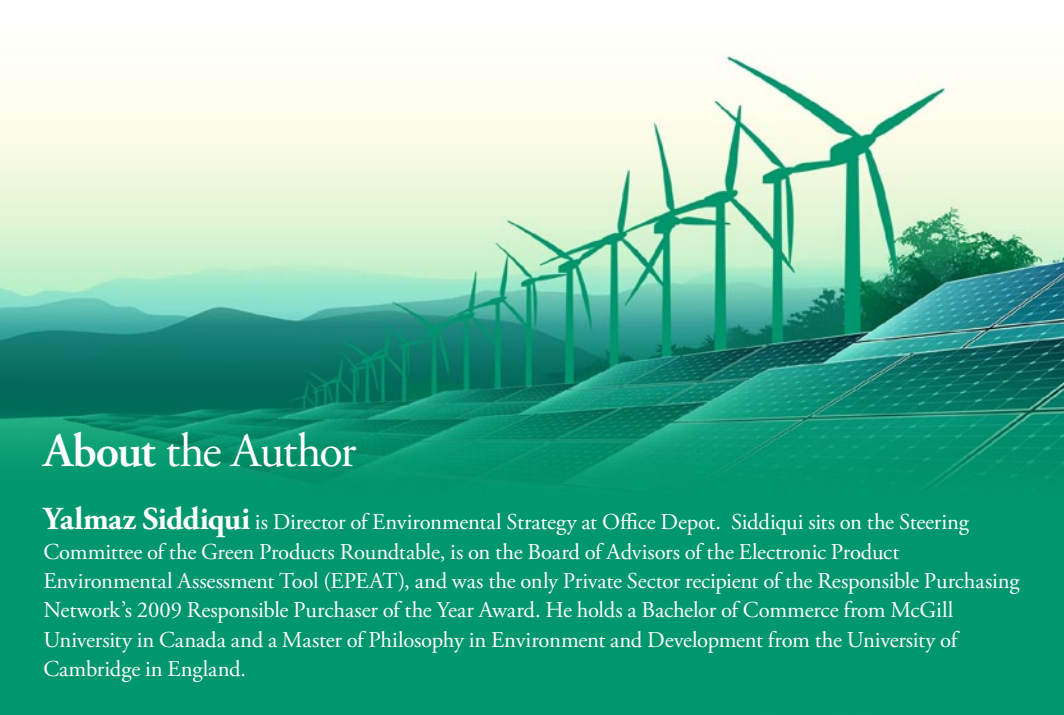


Step 10: Celebrate results & reward leaders

By celebrating the results of sustainable purchasing efforts, agency heads can create positive reinforcement loops. Connecting early adopters with the more status-quo oriented can also help break down barriers.

By rewarding leaders, federal agencies can encourage more staff to follow, thus accelerating the transition to sustainable purchasing, and a more sustainable future.

 To view references and sources please visit www.governmentbyexample.com



About the Author

Yalmaz Siddiqui is Director of Environmental Strategy at Office Depot. Siddiqui sits on the Steering Committee of the Green Products Roundtable, is on the Board of Advisors of the Electronic Product Environmental Assessment Tool (EPEAT), and was the only Private Sector recipient of the Responsible Purchasing Network’s 2009 Responsible Purchaser of the Year Award. He holds a Bachelor of Commerce from McGill University in Canada and a Master of Philosophy in Environment and Development from the University of Cambridge in England.



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