Sustainable Public Procurement in the United States

The SPP & EL Landscape in the USA
From the Federal to the Local Level

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Asia-Pacific GPPEL Training
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Beijing, China
Agenda

1. Overview of SPP in the US at the Federal Level
   • A brief overview of the legal context & current SPP activities

2. Activities at the State and Local Government Level
   • Cooperative purchasing and other highlights, case studies

3. Collaborative SPP Work in the United States
   • The role of organizations such as the SPLC & RPN

4. An Overview of Ecolabelling Practices
   • How ecolabels are being developed and used

5. A Changing Landscape: Impact of a New Administration
   • Predicting the effects of a changed US Federal Government
Section 1

SPP IN THE US AT THE FEDERAL LEVEL
US Federal Government

• Nation’s largest consumer of energy
• 360,000 buildings
• 650,000 fleet vehicles
• Over $425 Billion (USD) supply chain
Legal Framework for SPP

1993 Executive Order, “Federal Acquisition, Recycling and Waste Prevention.”

• Established the EPA’s Environmentally Preferable Purchasing (EPP) Program

• EPP activities include:
  – development of product and service standards,
  – creating procurement guidance,
  – developing model contract language, and
  – developing tools to help buyers assess products & services
Legal Framework for SPP

October 2009 Executive Order, “Federal Leadership In Environmental, Energy, and Economic Performance”

• Expanded on EPP program
• Required federal bodies to explore the feasibility of:
  – requiring vendors and contractors to report greenhouse gas emissions
  – using Federal Government purchasing preferences for products manufactured using processes that minimize greenhouse gas emissions
Legal Framework for SPP

February 2015 Executive Order, “Planning for Federal Sustainability in the Next Decade”

• Further expanded on existing EPP Program
• Required Federal Agencies “where life-cycle cost-effective” to:
  – Purchase renewable energy (or renewable energy credits);
  – Adopt preference for designated recycled content products, energy- and water-efficient products, less toxic chemicals and materials;
  – Referenced several ecolabels or standards: ENERGY STAR, BioPreferred, WaterSense, Safer Choice, SmartWay, etc.
Federal Government Goals

Purchasing is being leveraged to achieve 2015 goals:

– 25% of total federal energy (electric and thermal) consumption is from clean energy sources by 2025;
– Reduce energy use in Federal buildings by 2.5% per year between 2015 and 2025;
– Reduce per-mile GHG emissions from Federal fleets by 30% from 2014 levels by 2025;
– Increase the percentage of zero emission and plug in hybrid vehicles in Federal fleets;
– Reduce water intensity in Federal buildings by 2% per year through 2025.
SPP Implementation


- Intended for purchasers
- Outlines pre-award and post-award procurement actions for verifying contractor compliance with sustainability requirements specified in contracts

GSA-DOE Verification Guide for Federal Purchasers of Sustainable Products
Developed by U.S. General Services Administration and U.S. Department of Energy

I. Overview
This guide is intended for all Federal agencies (particularly procurement officials, requirement officials/specifiers, and other staff who affect acquisition decisions) to help verify contractor compliance with sustainability requirements specified in contracts. Both pre-award procurement actions and post-award procurement actions for verifying compliance are outlined in this guide. This document is not designed to provide guidance on determining which sustainable requirements must be included in the contract. For more information on determining what sustainable requirements are applicable for your procurement, visit the Green Procurement Compilation (https://fbo.gov/greenprocurement - on the Sustainable Facilities Tool website).

II. Pre-Award Procurement Actions

Product Information: In addition to ensuring all applicable sustainable requirements are specified in the contract, ensure language is included in procurements requiring a contractor to submit product documentation verifying compliance with the contract’s sustainable requirements. Some of the federal sustainability standards (see Vendor Compliance Determination Resources Section below) require the product to be third party certified and provide a database showing compliant products. As a general guideline, give preference for products with detailed information regarding their sustainable attributes (for example, environmental product declaration, multi-attribute sustainability label) or products providing independent verification of sustainable attributes. Preferable is third-party certified product documentation, but the manufacturer can also document which sustainability requirements the product meets. While material safety data sheets (MSDS) may contain information regarding sustainable attributes, these documents are usually not designed to capture specific sustainability requirements. Product documentation verifying compliance with sustainable requirements need only be required once from the contractor for new products submitted on the contract.

Waste Management Reports: If waste management is included in the statement of work (for example, janitorial contracts, construction or demolition contracts), ensure language is included requiring documentation showing compliance with all waste diversion requirements (for example, management hauling receipt, certificate of recycling). Consider requiring third party certified construction or demolition waste recyclers. Required waste management documentation should be identified in the contract, so contractors understand the documentation they will need to show waste management compliance. For accurate waste diversion measurement, require the waste hauler to provide weights (and not volumes) of materials disposed and recycled. See the Sample Janitorial Services Contract on the Green Procurement Compilation for sample statement of work language (https://fbo.gov/greenprocurement/green-services/7/janitorial-services).
## SPP Implementation

### Federal Supplier GHG Management Scorecard

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<th>Company</th>
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SPP Implementation

2016: Green Check Program
- In Acquisition Gateway (one-stop purchasing portal)
- Used by 10,000 Federal employees
- Green ✓ displayed next to sustainable contracts
- Starting with IT Hardware, adding other categories
- Eligible contracts identified by a cross-agency team
  - Reviewed all contracts in the category
Challenges

Compliance

• Example: Solicitation Review of FY15 Energy efficient product procurement (EEPP) contracts
  – Identified 765 solicitations with enough information available to evaluate compliance
  – Find legal compliance rates below 50% and effective compliance of only 39%

“more than half the time, federal agencies do not specify a compliant efficiency requirement and are unlikely to receive an efficient product”
Federal SPP at Work

Case Study: Federal Aggregated Solar Procurement Pilot

What: The Federal Government’s first-ever joint solar power procurement contract was awarded in California & Nevada to SolarCity Corporation in 2015.

Expected Results:

• reduce GHG emissions by ~ 40,000 metric tons of CO₂
  – Equivalent to taking 8,400 cars off the road for one year!
• Save the government $5 million in energy costs
Federal SPP at Work

Case Study: White House Capital Solar Challenge

What: GSA awarded contract to construct & operate solar energy systems on rooftops of 18 buildings housing federal and quasi federal agencies in Washington, DC

Source: GSA Blog

Expected Results:

• Reduce CO₂ emissions by 2400 metric tons annually
• Save agencies $5 million in utility costs over the contract term
Results

Energy consumption by U.S. government at lowest level since at least 1975

Not purchasing-specific reductions, but SPP is certainly contributing to this.
Section 2

ACTIVITIES AT THE STATE & LOCAL GOVERNMENT LEVEL
Some Leading Players

• City of Portland, Oregon
• City of Washington, District of Columbia
• King County, Washington
• City of San Francisco, California
Online Guidance for Staff

• San Francisco's Precautionary Purchasing Ordinance requires that City staff buy *only* green products

• Online Guide helps City staff to:
  – Choose required green products
  – Improve green purchasing
  – Review the City’s green purchasing legislation
  – Access reports on City green purchasing

Choose:
- ✓ Required

Consider:
- ✓ Suggested

Avoid:
- 🚨 Limited

Never Choose:
- ☠️ Prohibited
Sustainable Product Specifications

Libraries of pre-created specifications

Recycled Asphalt

- INTRODUCTION
- REGULATIONS
- USAGE HISTORY AND EXPERIENCE
- BID AND CONTRACT SPECIFICATIONS
- FOR MORE INFORMATION
- VENDOR INFORMATION

INTRODUCTION

Recycled Asphalt Pavement, or RAP, is commonly used as a component of new asphalt. Washington State Department of Transportation (WSDOT) allows the use of up to 20% RAP in new pavement.

Asphalt shingles can be processed into a ground product and used for road applications such as hot mix asphalt (HMA) pavement and cold patch. In King County, the Solid Waste Division estimates that 40,000 tons of asphalt shingle waste is disposed each year. While some shingles are being recycled, local end markets for the material are not well established. HMA graden is considered the highest and best end use.
Measurement & Reporting

- saved >$200,000 over 3 years by purchasing copiers that can easily email documents & make 2-sided copies
- cut copy paper usage by 20%
Publish Success Stories

• In 2002, the Portland Bureau of Transportation (PBOT) began replacing the city’s 7,100 single-space parking meters with multi-space, solar-powered SmartMeters; the city now has 1,330 SmartMeters

• Higher up-front cost but positive returns:
  – Decreased maintenance costs
  – Increased revenue: FY12-13 revenue 87% higher than FY02
  – Fewer machines: 1 machine serves a whole block (vs. 1/ spot)
  – Batteries are rechargeable and last 5-7 years (vs. replaced annually)
Cooperative Purchasing

• Western States Contracting Alliance (WSCA)
  – A branch of National Association of State Procurement Officials (NASPO)
  – Comprised of the 15 western state NASPO purchasing directors
  – Established to create the means by which participating states may join together in cooperative multi-State contracting
  – Includes sustainable contracts
Cooperative Purchasing

WSCA-NASPO Office Supplies Contract

• Facilitated by RPN
• Included a variety of environmental considerations
  – Recycled content
  – Low or non-toxic
  – Rechargeable, refillable, reusable
  – Low VOC
  – References several standards (e.g. RoHS, USDA Biobased...)
  – Contractors must supply verification upon request
# Green Office Supplies Contract

Ultimately created a Green Bid Sheet

<table>
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<tr>
<th>ITEM LETTER</th>
<th>GENERAL PRODUCT DESCRIPTION [Environmental Specification]</th>
<th>UOM</th>
<th>SAMPLE PART #</th>
<th>SAMPLE BRAND</th>
<th>ESTIMATED ANNUAL USAGE</th>
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Section 3

COLLABORATIVE SPP WORK IN THE UNITED STATES
Mission

To support and recognize institutions for strategic leadership in understanding and taking responsibility for all of the consequences of all of their goods and services spending.
Sustainable Purchasing Leadership Council

We are collaborating to launch a multi-sector program for guiding, measuring, and recognizing leadership in sustainable purchasing.
The SPLC Approach

1. **ANALYZE**
   - Identify impacts within spending.
   - Prioritize categories for action.

2. **ACTION PLAN**
   - Identify and select proven strategies for mitigating impacts while delivering value.

3. **IMPLEMENT**
   - Set goals, timelines and policies.
   - Train staff and engage suppliers.

4. **MEASURE**
   - Track and benchmark performance.
   - Evaluate for continuous improvement.

5. **EARN**
   - Leadership recognition.

SUSTAINABLE PURCHASING LEADERSHIP COUNCIL

reeveconsulting.com
SPLC Principles for Leadership

Principles for Leadership in Sustainable Purchasing

Version 1.0
Adopted April 2014

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Principles for Leadership in Sustainable Purchasing

An organization\(^9\) demonstrates leadership in sustainable purchasing through:\(^{10}\)

- **Understanding.** Understanding the relevant\(^{11}\) environmental, social, and economic (ESE) impacts of its purchasing.
- **Commitment.** Taking responsibility for the relevant environmental, social, and economic (ESE) impacts of its purchasing by committing to an action plan.
- **Results.** Delivering on its commitment to improve the relevant environmental, social, and economic (ESE) impacts of its purchasing.
- **Innovation.** Actively promoting internal and external innovation that advances a positive future.
- **Transparency.** Soliciting and disclosing information that supports a marketplace of innovation.

These criteria outline a framework for specific actions. The SPLC recognizes that timelines for achievement will vary across criteria and market sectors based on the availability of: tools and resources to implement representative actions; products and services that effectively improve the relevant ESE impacts of an organization’s purchasing; and practical tools and resources to measure that improvement.
Responsible Purchasing Network (RPN)

International Network
- State and local governments
- Federal agencies
- Colleges and universities
- School districts
- Businesses
- Nonprofit organizations
- Faith-based organizations
Responsible Purchasing Network (RPN)

- Assist in the design and implementation of Sustainable Purchasing Program
- Develop fact sheets and resource materials
- Assist in developing environmental bid specifications for upcoming solicitations
- Cooperative purchasing activities
RPN – USDN SPP Playbook

THE BUCK STARTS HERE
Sustainable Procurement Playbook for Cities

October 2016
RPN – USDN SPP Playbook

Chapters Address Steps to Practice Effective SPP

• Making the Business Case for Sustainable Procurement
• Developing a Sustainable Procurement Policy
• Designing a Sustainable Procurement Program
• Setting Sustainable Procurement Priorities
• Creating Contracts for Sustainable Goods and Services
• Tracking and Reporting Sustainable Procurement Results
• Specific Chapters on Electronics; Vehicles and Fleet Maintenance Products; Green Building Supplies
Section 4

AN OVERVIEW OF ECOLABELLING PRACTICES
Many Ecolabels
Example: UL Sustainability

Portfolio of standards includes:

• GREENGUARD: chemical emissions requirements
• ECOLOGO: multi-attribute, life cycle-based sustainability standards
• single-attribute green claims validations
• waste to landfill validation
• Environmental Product Declarations
• organizational sustainability certifications
UL Standards Development

• Standards created through a “collaborative process that takes a holistic approach”

• Standards Technical Panels (STPs)
  – balanced cross-section of stakeholders affected by a product's manufacture, sale and use
  – “help in the development and review of UL's Standards for Sustainability”

• Process has been approved by the American National Standards Institute (ANSI)
Section 5

POTENTIAL IMPACT OF A NEW FEDERAL ADMINISTRATION
Impact on SPP & EL?

Source: Slate.com
Not All Bad News

• We don’t know what Trump Administration will do
  – Has not consistently followed a Republican direction
• Much work being done at State/Local level
  – Operates quite independently of Federal
• Collaborative organizations – continued commitment
  – Work will continue at grassroots
• Business case may already be proven
  – No incentive to deviate if this is the case
Comments & Questions?

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