

GSA Acquisition Policy Federal Advisory Committee (GAP FAC) Policy & Practice Subcommittee Meeting

January 19, 2023

The General Services Administration (GSA) Acquisition Policy Federal Advisory Policy & Practice Subcommittee (PPS) convened for its fourth public meeting at 3:00 PM on January 19, 2023, virtually via Zoom, with Steven Schooner, Chair, and Luke Bassis, Co-Chair, presiding.

In accordance with FACA, as amended, 5 U.S.C. App 2, the meeting was open to the public from 3:00 PM to 5:00 PM EST

Subcommittee Members Present:

Steven Schooner, Chairperson	<i>George Washington University</i>
Luke Bassis, Co-Chair	<i>Port Authority of New York and New Jersey</i>
Richard Beutel	<i>George Mason University</i>
Antonio Doss	<i>US Small Business Administration</i>
Mark Hayden	<i>State of New Mexico</i>
Stacy Smedley	<i>Building Transparency</i>
Jennie Romer	<i>Environmental Protection Agency</i>
Nigel Stephens	<i>US Black Chamber of Commerce</i>
Anish Tilak	<i>Rocky Mountain Institute</i>
Leslie Cordes	<i>Ceres</i>
Dr. Amlan Mukherjee	<i>Michigan Technological University</i>
Dr. Kimberly White	<i>American Chemistry Council</i>
Dr. David Waggar	<i>Institute of Scrap Recycling Industries</i>

Absent: Mark Hayden and Mamie Mallory

Guest Speakers & Presenters:

Dr. Amlan Mukherjee	<i>Professor of Civil, Environmental and Geospatial Engineering, Michigan Technology University</i>
Stacy Smedley	<i>Executive Director, Building Transparency</i>

GSA Staff Present:

Boris Arratia	<i>Designated Federal Officer</i>
Stephanie Hardison	<i>Deputy Designated Federal Officer</i>

David Cochenic
Skylar Holloway
Lanora Fairman
Daniel Swartz
Jill Lamoreaux

GAP FAC Support Team
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CALL TO ORDER

Stephanie Hardison, Designated Deputy Federal Officer, opened the public meeting by welcoming the group before reminding the public that there would be time for comments and statements at the end of the meeting. She then performed a roll call to confirm attendance and a quorum. After meeting the quorum, she turned the meeting over to Chairman Steven Schooner.

INTRODUCTORY REMARKS

Chairman Steven Schooner thanked everyone for their continued engagement. He reminded folks that the slides and videos from the full committee and subcommittee are available in the full committee and subcommittee shared folder resource file. Today's primary goal is to get agreement on the mission statement to focus on other things. The group would also spend time prioritizing issues. In some of the subcommittee meetings there's been discussion on acquisition workforce training and certifications. The harmonization with the Federal Acquisition Institute (FAI) and Defense Acquisition University (DAU) has accelerated. It's moving in a more unified fashion, which may make it easier for them to drive training, core competencies, and fundamentals regarding topics.

They also continued to seek input for speakers for the subcommittee. Porter Glock from the Office of Federal Procurement Policy (OFPP) would speak at the next meeting. He is the primary contact person in the White House Office Management Budget for Office of Federal Policy Procurement (OFPP) on everything related to sustainable procurement. The OFPP plays a big role in what goes into the federal acquisition regulation and in terms of workforce training and development. They continue to be curious about who else they should listen to and what topics.

Chairperson Schooner stated that they would have a presentation and discussion by two subcommittee members on life cycle analysis and life cycle cost analysis. What we are finding in sustainable procurement outside of the United States and at the state and local level is using life cycle analysis, and life cycle cost analysis is becoming a global best practice on how we drive the train on sustainable procurement. We find in many jurisdictions that life cycle analysis and life cycle cost analysis help the procurement official if they understand it. Life cycle analysis and life cycle cost analysis

allow us to internalize externalities and discuss climate change's effects. For the last couple of decades, there's been a discussion about moving away from the tyranny of low prices to value for money. Value for money is often simplified to paying the price premium for quality instead of low price and it's not the forward-thinking inclusion of all the externalities that the government has to deal with. We may later talk about what played out with the postal services over the past couple of years and how these issues affected that.

Steven handed the meeting over to Amlan and Stacy.

GUEST SPEAKERS & DISCUSSION

Dr. Amlan Mukherjee introduced himself to the subcommittee. He works at the Office of Infrastructure at the Federal Highway Administration and would be talking about the work completed.

He stated that life cycle assessment is driven by the idea of understanding if you have two products, which one will give you the best outcome and ties into the environmental impact potentials of that product. The life cycle is critical because it goes from the raw material acquisition which is processing and manufacturing and brings us to the cradle-to-grave phase. A product from a cradle-to-grave phase is cradle, including all the natural resources that go into it including energy and materials, to the point where the product will meet the consumer. The impacts associated with those phases are referred to as embodied carbon. Cradle to cradle is once the product gets used, how does it get repurposed or recycled.

He continued the discussion on the separation between industry data and agency data. In the world of transportation and construction, most producers are private industries but their products are procured by government agencies, which then move into our infrastructure. For any given product or process, the inputs and outputs are tracked, which are the flow of material and energy through the entire system. We use an operator for impact assessment methods. This impact assessment is provided by the Environmental Protection Agency (EPA) and is called TRACI. This allows us to come to midpoint indicators, which are environmental impact potentials. A common environmental impact potential is the Global Warming Potential (GWP), which expresses the greenhouse gas emissions in terms of kilograms of carbon dioxide equivalent. Knowing the carbon dioxide equivalent is important because you aren't just expressing carbon dioxide but other greenhouse gasses. All these gasses get converted through the impact assessment method into a number that is a compact number referred to as kilograms of carbon dioxide equivalent. When we talk about GWP, we're talking about the global warming potential in terms of carbon dioxide. The number is an environmental impact potential, which gives you the potential of that

product on global warming. There are other impacting gauges as well. Even though we talk about the global warming potential the most, we are still reporting on the other ones.

Life cycle cost analysis in the world of infrastructure has been used since the Transportation Equity Act mandated it. Since then, a guideline has been developed and used to find the best investment option between alternative designs and approaches. Life cycle cost analysis is used in different ways at the given design stage. It's required for all projects that require value engineering. Some states use them in bidding situations. For example, the Michigan Department of Transportation (DOT) uses life cycle cost analysis. If they have two designs of asphalt and concrete, both designs are set out for a bid, and the bids come in with the net present value of the design.

Life cycle cost analysis and life cycle assessment become part of the broader assessment of sustainability infrastructure. Your life cycle cost analysis falls within the economic assessment of the infrastructure. Life cycle assessment falls under environmental assessment. The direction we are moving in is understanding the social aspects of the social impacts of our infrastructure and the social life cycle assessment and sustainability rating system. He stated so far, most of the work has been in the economic and environmental areas and life cycle cost analysis is the standard practice.

Industries have developed their product category rules (PCR). This means for a particular product category within a specific industry, how do you establish the goal and scope of the life cycle assessment and how it gets reported. The product category rules are developed by a product category committee which involves industry stakeholders, government agencies, or users of the product, so there's a common consensus on the system boundaries and what is or what isn't accounted for. Whenever someone does a life cycle assessment to produce an Environmental Product Declaration (EPD), there will be a clear consensus on what has been accounted for. When doing this type of analysis, there is talk about how the data is collected. PCR sets data collection guidelines and ensures the outcomes are reported with the appropriate geographical regionalization.

Background data is upstream effects that all life cycle assessments must account for. We've worked through the federal highways sustainable pavements working group where we've worked with the Federal LCAs Commons, a group of federal representatives from different agencies that collect life cycle assessment data from the federal government. Over time we've developed repositories for fuels, electricity, and transportation that can be used and are available within the Federal LCA Commons repositories. Our PCRs have recommended using these background data sets because

they use the same data sets when looking at the LCA Commons report for two different products.

The LCA is done based on the PCR, and the outcomes are reported according to the same product category rule protocols, which gives us EPD. It's a standardized instrument of outcomes reported using these standards.

You start with a product category rule, and then a life cycle assessment has to be conducted for the material to show that the product category rule can be implemented. From there, the life cycle assessment outcomes are communicated through an EPD. You can have EPDs as industry averages even though there is a movement toward product specific and facility specific.

Dr. Mukherjee reviewed a chart to give the group a sense of a typical system boundary within the asphalt industry.

The point of the PCR Program Operators, PCR Committees, and reviewers is to ensure consistency, comparability, and reliability within a specific product category. There's a working group within the ACLCA to standardize this process.

Dr. Mukherjee turned the conversation in the direction of where EPDs are in procurement policy. Sustainability issues in the spotlight are EO 14057, Climate Challenge, IRA low-carbon transportation grants, and EDC-7.

The White House Buy Clean Tasks force recommended using asphalt, concrete, flat glass, and steel as priority materials. The reporting tool they recommended for this was EPDs, which is directly aligned with the Inflation Reduction Act, which also mentions EPDs.

GSA has come out with their lower embodied carbon materials specs for concrete an asphalt. Both are based on tools based on life cycle assessments as well as EPDs from specific programs. There's a DOT policy statement on the buy clean initiative, and they prioritized three actions, one of which is using EPDs. Some states have legislated green public purchasing and others have considered green public purchasing legislation in the past two years.

He mentioned the Climate Challenge takes EPDs and LCAs directly into practice with state duties. We were expecting 5-7 states initially but had 25 states presenting interest. The program brings together a multi-round effort in implementing EPDs and life cycle assessments.

The buy clean policy vision moving forward is looking to standardize the data sets and life cycle assessments across agencies, tie them into one data set and make more EPD data available.

Dr. Mukherjee passed the conversation to Stacy Smedley.

Stacy Smedley introduced herself and the role she plays within Building Transparency.

To engage with life cycle assessment data, you need to have the procurers onboard to set requirements around the data and how it will be used to set the limits or thresholds for disclosures. It's important to have architects, engineers, and contractors designing the projects, specifying the products, and procuring them in the construction sector. You also need the manufacturers in industry organizations to create the data and understand what EPDs are.

Materials used in building and construction are more than 10% of the global CO2 problem. It's something we need to focus on. The specification of procurement and products is a big issue with this.

It starts with how we're extracting materials, transporting them to a manufacturing facility, and how these facilities are using energy and process emissions. That is the cradle-to-grave piece we are getting sorted with EPDs. For the sector, we are looking at transportation costs, insulation equipment, or how we dispose of equipment. Another way to think about it is through the lens of manufacturing. If you look at steel, cement, and iron manufacturing, they are 30% of manufacturing emissions globally.

We are now getting into requirements for the public and private realms around carbon accounting. There are different scopes with carbon reporting. Scope 1 and 2 are the things directly in your control that you own and operate, and scope 3 is everything you purchase or lease. The supply chain emissions and body carbon emissions are in the scope 3 buckets. A bunch of companies in the private sector have been reporting scope 3 emissions. What's come to the top of the table with this is that GHG protocols that they thought scope 3 was 79% of the total, but the scope 3 emissions are over 90% of the total bucket of their emissions. This is the scope they need to tackle and figure out to make low-carbon procurement choices.

We're tackling cradle-to-grave emissions first because the place we need to reduce emissions the most is how we make the products. That's why cradle-to-grave is where EPDs are consistently being pointed to.

On the private side, companies are setting zero carbon targets by 2030 to 2050, including the supply chain emissions that are 90% of their problem alongside public policy. There's a carbon leadership map with carbon policies across the globe that are tackling body carbon emissions. You can find the policies at carbonleadershipforum.org, and how they are implemented or in process. The Buy Clean policy in California was the first one where they require EPDs for materials and set carbon intensity GWP limits that manufacturers must comply with. There's a host of

others that help produce EPDs and help to set the standards of EPDs. It's happening not only at the federal level but the global level. There's harmonization around the approach.

When it comes to this policy there's four steps:

- Require environmental product declarations.
- Set kgCO2 targets or limits.
- Find all compliant EPDs.
- Require project teams to submit project data.

The goal is if we set limits, thresholds, or low-carbon programs where you can point downward, then the idea is that manufacturing response will benefit from producing low-carbon products and then emission density will start to go down. If that happens for a concrete plan that applies to the federal government, then that means the concrete plan supplies that same low-carbon product to anyone else that wants concrete in that market. There will be a ripple effect.

We try to make this data easy to understand and find. We host a free tool at Building Transparency that digitizes the EPDs into a database that allows sorting, filtering, comparing, limit setting, and more features. Manufacturers can use this to see how they are doing against their competitors, or procurement officials can look at the suppliers with their intensity bars. This data is also used at the building level. You can take this data and do a building life cycle assessment when you're inputting all the quantities of your project and look at the carbon intensities of the product.

As the data is being required and used in these policies, there is an increase in data of all the products we track, and we project it to continue to go up. If we require this information and use product specific EPDs during procurement, we can reduce emissions. This was done on a campus project years ago, and their emissions were reduced by 20%.

There's more information and resources at www.buildingtransparency.org, along with tools and links to policy information.

SPEAKER QUESTIONS & ANSWERS

Q: Steven Schooner – How do we reach procurement officials? Looking at the federal procurement data spent, this is happening at the subcontract and material level, still we don't have the message for the procurement officials except at the high macro level.

A: Stacy Smedley – If you think about Microsoft or Amazon, they are making policies and setting them at a local level. The good and complicated thing is that this happens at the building or project level when dealing with construction. Suppose the contract

requirements are consistent across all buildings they build for infrastructure products. In that case, we need to hone in on how we get that consistency on the federal procurement side for the people making the contracts.

A: Amlan Mukherjee - A case to look at is what's happening in Colorado. They just put out special provisions for contracts. They are asking for information purposes and not benchmark purposes. Education is important on this since they need to understand the language.

Q: David Wagger – If a company is twinned with another industry and they provide their input which allows them to reduce their emissions, who gets credit for emission reduction? The one whose emissions are reduced or is it the supplier? Who will determine that?

A: Amlan Mukherjee – In the construction materials industry, we see this all the time. These issues are getting resolved in the consensus PCR committees. The more presence on the PCR committees will garner more validation.

A: Stacy Smedley – Where that credit is, is in the published EPD for the end product. The more specificity we get in the PCR about how that EPD for the end product discloses where they are getting their upstream product from, is where you would get the credit from.

Q: Steven Schooner – How do we get to the systems level and the macro thinking in the broader training context?

A: Jennie Romer – It sets this sector up as far as federal procurement goes. There's an allocation of \$4 billion split between GSA and transportation. The EPA is tasked with a labeling program for construction materials, and we'll be working to develop that based on feedback from that work with GSA and highways and an EPD grant program. This is an exciting path forward where there is funding to do this work. There are links in the chat to the press release and there will be a docket open for comments.

A: Stacy Smedley –The easier we make this to fit into an existing process the better. There are no cost concerns, and we are at a point where the implementation part is what is being focused on. Enough people know enough to be helpful in providing the recommendations needed.

Anish Tilak mentioned that in California there are examples of public agencies using these standards and doing the data collection through the buy clean California act. He can do some digging and add names to the speaker list who can talk about this.

Q: Leslie Cordes – In light of some of the ESG pushback we are seeing at the state level with AGs, are you seeing any slow down with buy green, buy clean procurement

policies? To what extent are those impacts being felt in some other procurements, especially large infrastructure projects?

A: Stacy Smedley – The pushback gets larger when you compare between material categories. They are working within their own sector rather than referencing other sectors.

A: Amlan Mukherjee – Within these industries, there is effort to reduce emissions. When it comes to how the information is going to be used, there is concern that it's going to be used in ways where we're only looking at the modified carbon component and not looking at the impact of reducing their carbon on the life or the service life of the particular infrastructure. That is a concern.

Steven Schooner thanked Amlan and Stacy before turning the meeting over to Luke Bassis.

PPS MISSION STATEMENT DISCUSSION/FINALIZATION

Luke Bassis led the discussion into the mission statement. They are looking to finalize the mission statement and dig deeper into the priorities. He presented the final mission statement draft to the meeting and opened the discussion to any improvements.

Final Draft: Recommend actionable changes to GSA procurement policies and practices that encourage innovation and streamline the acquisition process to accelerate the demand and utilization of goods and services to achieve measurable progress on climate and sustainability goals.

Nigel Stephens – I think what we have is excellent but as we go through what we are doing, we need to keep in mind that streamlining the acquisition process leaves a lot of small and mid-size entities behind. Getting the best value for the government means bringing along those businesses and keeping them incorporated in the supply chain.

Antonio Doss – In the last meeting it sounded like the support and focus related to small businesses was too encompassing for the policy subcommittee. Adding to what Nigel said, it's important to encourage innovation from all sectors and can't be limited to the large businesses. The small businesses need to be incorporated.

Steven Schooner – As a small group, we can't do everything, so the question is who takes primary responsibility for the small businesses. My suggestion wasn't to disregard small business policy but given how pervasive it is in the industry subcommittee, I'm worried that it will overwhelm our efforts if we can't seed those issues to the other subcommittees. Everything we do comes down to implementation. We need to try to draw lines.

Antonio Doss – If small business policy doesn't have a place in the policy subcommittee, then where does it fall into? It gives off the wrong message

Luke Bassis – Small businesses will be taken into consideration when we do our policy recommendations, and we will try to consider the effect on small businesses. There is a heavy focus on this in the other committee so where we can find the synergy together will be the goal for the policy recommendations.

David Waggoner – Do we need to add more words about small businesses?

Steven Schooner – I don't think it defeats us if we try to be more conclusive in the language. If someone feels we are shunning important issues, then we should address that.

Nigel Stephens – We need to make sure it's a thought process to always incorporate these small businesses in the supply chain.

There was agreement to add verbiage that shows the subcommittee is intentional about helping small, diverse, and geographical suppliers who can participate in the supply chain. The policy needs to show we are inclusive. The group worked to refine the mission statement to make it inclusive of small businesses before voting on the final mission statement. The below mission statement was accepted by the subcommittee.

Final Approved Mission Statement: Recommend actionable changes to GSA procurement policies and practices that encourage innovation and streamline the acquisition process to accelerate the demand and utilization of goods and services from a diverse supplier base to achieve measurable progress on climate and sustainability goals.

PPS PRIORITIZATION DISCUSSION/FINALIZATION

Luke Bassis led the discussion to the priorities. They took the priorities and put them into categories that fit the framework. Luke reviewed the actionable, considerations, and due diligence priorities of the low hanging fruit/quick wins category as well as the leap/big picture categories.

There was a side meeting to clarify earlier discussions on the issue of greenhouse gas reporting. As we talk about GHG reporting, there's a proposed FAR rule out and it isn't our mandate, nor should we put GSA in a position where we are for or against the rule. We should keep this on our plate. The rule is out there and if the rule is coming, it will only work if people understand it. Awareness and utility is not advocacy.

Jennie Romer offered to have one of her team members at the EPA speak to the subcommittee on recommended eco labels and standards. It would be a good background for the group if they decide to go forward with that.

Luke Bassis conducted an exercise where the group laid out what problems the subcommittee is trying to solve and where they might land in relation to the concept already created.

Due to time constraints, it was suggested that the group continue to lay out the problems that they are trying to solve after the meeting. Steve & Luke will review it over the course of the next week before the next subcommittee meeting.

PUBLIC COMMENTS

The subcommittee opened the floor up for public comment.

John Reeder – Is with the environmental working group and advocacy group and does information for consumers to protect themselves and their families from harmful toxins and advocates for policies to protect the environment and human health. They've been interested in the PFAS which is found in many common products and is the main ingredient in Teflon and has been used for many years. EO14057 specifically called out PFAS and directed agencies to steer procurement toward safer substitutes. Since the group has been working on PFAS, they have been trying to advocate with GSA to find a way to move forward and help agencies avoid procurement with PFAS. The tools discussed are about providing information to federal procurement officers in hoping they will do the right thing toward sustainable purchases. Another way to tackle this product is to move government contracts away from unsustainable products. If the government phased out unsustainable products in the contracts, it would become easier and easier over time. I would like a chance to talk to the committee about approaching the problem that way and the possible solution.

Steven Schooner – The group letter was shared to the subcommittee through GSA to review and it would be something we could talk about in the future.

Jennie Romer – The EPA developed a chart of how and whether the current recommended ecolabels standards address PFAS. More work is definitely needed in the area.

CLOSING REMARKS


Troy Cribb thanked the group for a fantastic meeting and the presentation was helpful. The addition to the mission statement was good and this was a highly productive meeting.

ADJOURNMENT

Stephanie Hardison concluded the meeting and reminded the group that the next virtual Policy & Practice subcommittee meeting will be held on February 2nd from 3:00 PM – 5:00 PM EST. She reminded the public that any written comments can be submitted through regulations.gov.

She adjourned the meeting at 5:00 PM EST.

I hereby certify that, to the best of my knowledge, the foregoing minutes are accurate and complete.

DocuSigned by:

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2/15/2024

Luke Bassis
Co-Chairperson
GAP FAC Policy & Practice Subcommittee

Former Chair, Steven Schooner was succeeded by Luke Bassis on September 28, 2023.