Opportunities to Improve Federal Sustainable Procurement for GSA FACA on Sustainable Procurement

Office of Pollution Prevention and Toxics (OPPT), Data Gathering and Analysis Division (DGAD), Sustainability and Pollution Prevention Branch (SPPB)

United States Environmental Protection Agency

Environmentally Preferable Purchasing Program

Today's Speaker

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Purchasing Program

Overview

- Overview of EPA Environmentally Preferable Purchasing Program

- Purchaser Role in Ensuring Federal Sustainable Procurement

- Outline of Two Key Challenges to Successful Federal Sustainable Procurement

- Sustainability Check Initiative Overview

- Automation Opportunities to Advance Sustainable Procurement

- Questions

Large Federal Footprint = Opportunity for Feds to Lead by Example and Influence the Sustainable Products Market

The U.S. Federal government:

Is the single largest purchaser in the world spending **~$650 billion annually** on goods and services

Procurements represent roughly **2.5% of USGDP** and influence much more

Manages over **350,000 buildings**, **600,000 vehicles**, and nearly **1 of every 5 acres** in the U.S.

Spends **~$90 billion annually** on IT equipment and services

Is the largest energy consumer in the nation, spending **~$18 billion annually**

Uses **renewable energy** to power 8.6% of its facility electric energy needs

Sustainable Marketplace

Defining Green. Buying Green. Measuring Green. www.epa.gov/greenerproducts

Take a lifecycle, multi-attribute approach to defining "environmentally preferable"

Engage in the development or update of private sector product & service sustainability standards & ecolabels

Assess and recommend standards and ecolabels for federal purchasers

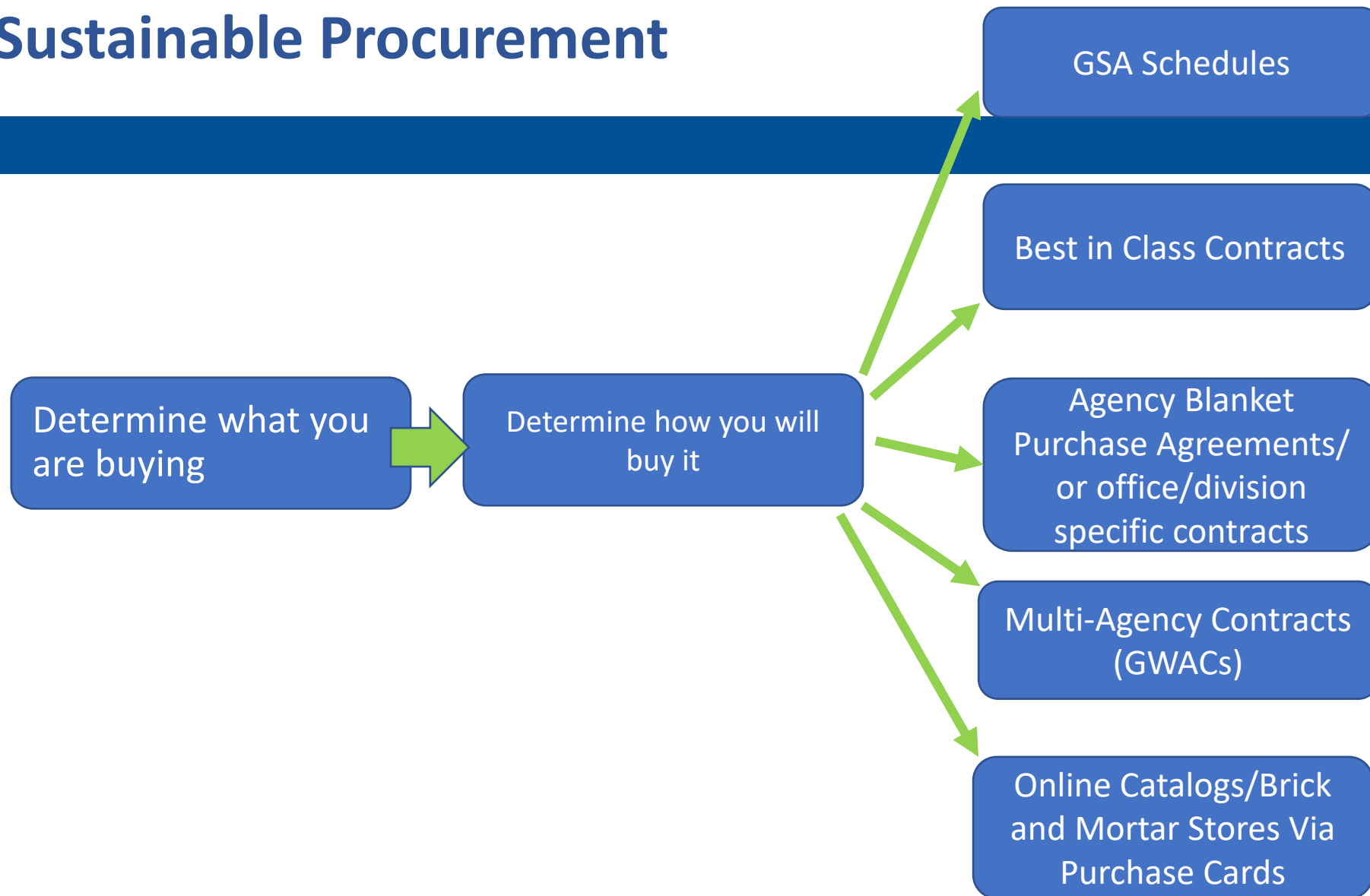Assist feds (and others) in buying environmentally preferable products and services

Assist small businesses in selling their greener products and services to the federal government

Measure compliance and benefits of buying green

Purchaser Role in Ensuring Federal Sustainable Procurement

Determine what you are buying → Determine how you will buy it

- GSA Schedules
- Best in Class Contracts
- Agency Blanket Purchase Agreements/ or office/division specific contracts
- Multi-Agency Contracts (GWACs)
- Online Catalogs/Brick and Mortar Stores Via Purchase Cards

For all paths:
- ✓ Conduct market research to determine which federal sustainable procurement requirements apply
- ✓ Determine if federal sustainable procurement requirements included
- ✓ Require in RFPs/Task Orders provision of compliant products, seek compliant products in online catalogs
- ✓ Provide data on sustainable procurements made via FPDS
- ✓ Ideally require vendor reporting of compliant products provided to inform FPDS data

So What's the Problem?

- Key major existing contracts don't include federal sustainable procurement requirements

- RFPs currently usually don't include federal sustainable procurement requirements

Sustainability Check Initiative

- Category Management Leadership Council Effort

- Collaborating with Category Management Teams to advance federal sustainable procurement by:

  - Increasing compliance with federal sustainable procurement requirements in major contract vehicles

  - Encouraging innovative sustainability approaches to be taken in contracts - going beyond compliance

Administration Direction to Category Managers on Sustainable Procurement

- E.O. 14057, Catalyzing Clean Energy Industries and Jobs Through Federal Sustainability (December 2021) and

- E.O. 14030 Climate-Related Financial Risk (May 2021) … Direct agencies to …

- **Minimize risk of climate through procurement.** "Ensure that major Federal agency procurements minimize the risk of climate change" including lowering greenhouse gas emissions and increasing climate resiliency.

- **Purchase sustainable products & services.** "Incentivize markets for sustainable products and services … "meeting "relevant statutory requirements" and, "to the maximum extent practicable, [purchase] sustainable products and services identified or recommended by the EPA" to achieve net zero procurement by 2050

- **Use sustainable vehicles, delivery, & shipping.**

Phases of Sustainability Check Initiative

Phase I. Integrate appropriate sustainability requirements into BICs

- ~$50B in FY21 spending
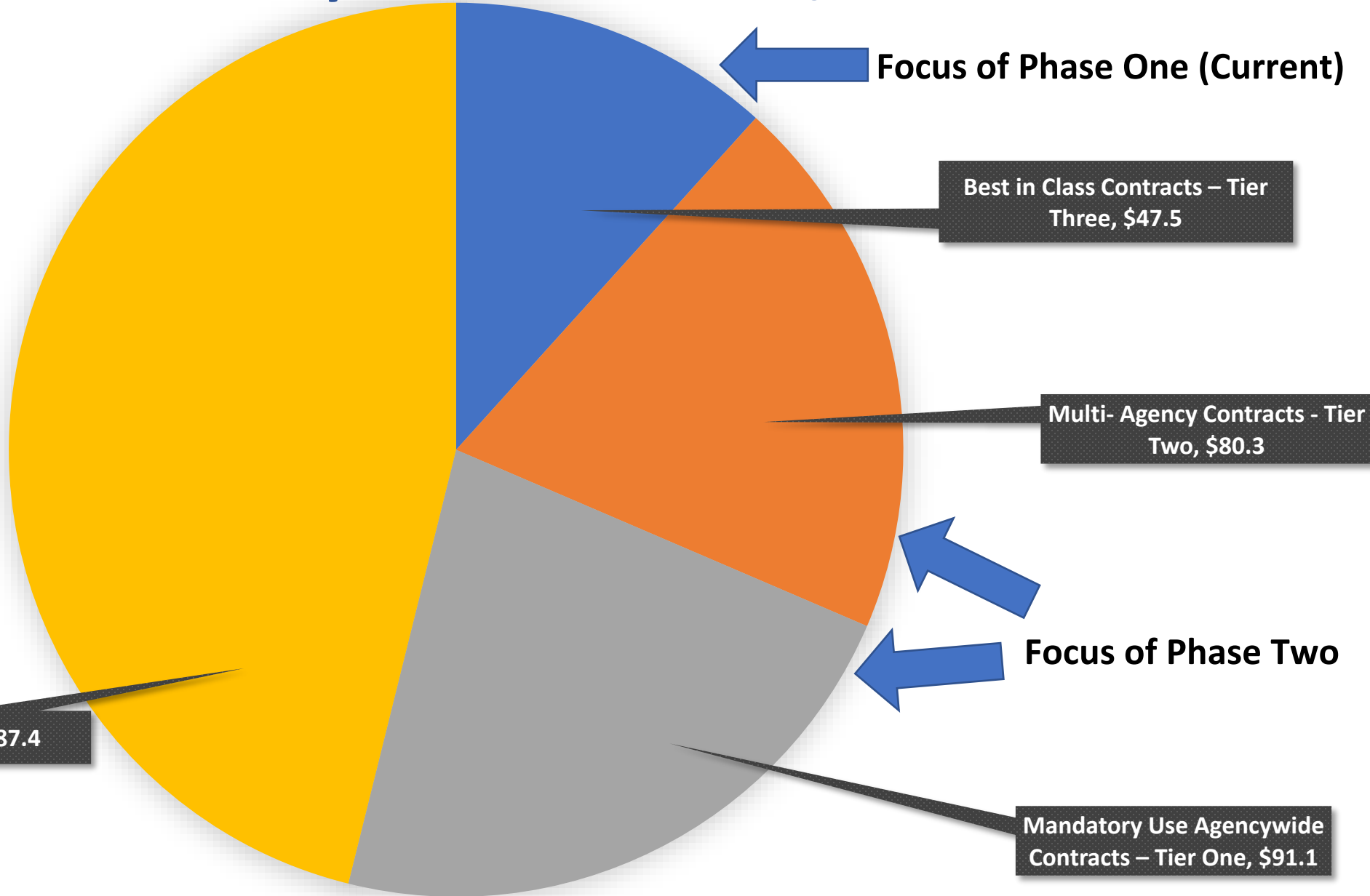- Review 20 of the 37 BIC (Best in Class) contracts ("Tier 3")

Phase II. Integrate sustainability reqs into other large Category Management contracts

- ~$80B in FY21 spending on 404 contracts ("Tier 2" - multi-agency)
- ~$90B in FY21 spending on 1,152 contracts ("Tier 1" - mandatory-use agency-wide)

Phase III. Ensure vendor + agency compliance thru new tracking/verification system, etc.

And, for each phase, define/encourage sustainability leadership among Category Management contracts

FY21 USG Commonly Purchased Goods/Services - ~ $400B

Focus of Phase One (Current)

Best in Class Contracts – Tier Three, $47.5

Multi- Agency Contracts - Tier Two, $80.3

Focus of Phase Two

Not Aligned, $187.4

Mandatory Use Agencywide Contracts – Tier One, $91.1

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Current Sustainability Check Initiative Focus

Six prioritized Best In Class Category Management categories
- IT
- Facilities & Construction
- Industrial Products & Services
- Office Management
- Professional Services
- Transportation and Logistics Services

When BICs need to make commitment to update master contract docs
- 1-13-23

Phase I Status

- ✓ **ID & gain support & alignment from key OMB/CEQ/GSA champions.**
- ✓ **Build team.** Standup team of USG sustainability reps for 10 Category Management teams
- ✓ **Develop review tool.** Develop spreadsheet tool to review BICs, issue report cards/scorecard
- ✓ **Draft model contract text.** Develop model sustainability requirements section for contracts
- ✓ **model contract text finalized.**
- ✓ **CMLC announces the model contract text & asks solution managers to share docs for review**
- ✓ **Review contract docs.** Review BIC contract docs vs. model sustainability reqs
- ✓ **Establish deadline for BIC commitments.** 1-13-23 for 6 high-priority spend categories
- ✓ **Engage contract managers.** Engage category managers & BIC solution owners (Contracting Officers) to share review, offer assistance, & encourage compliance
- • PLANNED: **Issue accountability/recognition reports.** Issue sustainability report cards & scorecard
- • PLANNED: **Share Sustainability Check report card with CMLC**

Sustainability Check designations

Designation Levels	Definitions
Sustainability Check	Contract documents properly referencing all the appropriate sustainability requirements.
In process/commitment made	Contracting Officer committed to update contract documents by next exercised option period.
Not yet compliant/ additional action needed	The EPA EPP Team & category sustainability rep reviewed determined that the documents do not properly reference all the appropriate sustainability requirements.
Pending review	The EPA EPP Team & category sustainability rep have appropriate contract documents but have not yet completed the sustainability review

BIC Sustainability Compliance Scorecard for Category Management Leadership Council

Spend category	# BICs	$B FY21 spend	# of BICs—commitment made	# of BICs in compliance	% BICs in compliance (meeting sustain reqs)
IT	12	$26.5	TBD	TBD	TBD
Facilities & Construction	2	$0.3	TBD	TBD	TBD
Industrial Products and Services	1	$1.9	TBD	TBD	TBD
Office Management	2	$0.26	TBD	TBD	TBD
Professional Services	3	$11.4	TBD	TBD	TBD
Transport & Logistics Services	4	$4.2	TBD	TBD	TBD
Medical	5	$2.6	N/A this phase	N/A this phase	N/A this phase
Travel	4	$0.05	N/A this phase	N/A this phase	N/A this phase
Human Capital	2	$0.32	N/A this phase	N/A this phase	N/A this phase
Security & Protection	2	$0.05	N/A this phase	N/A this phase	N/A this phase
Total	37	$47.60	0	0	0.0%

DETAILED BIC sustainability compliance scorecard

#	spend category	BIC name	managing agency	BIC review results	
1	IT	ARMY CHESS ADMC3	Army	TBD	
2	IT	NASA SEWP (SEWP V and GSS)	NASA	TBD	
3	IT	NITAAC CIO-CS	NIH	TBD	
4	IT	MAS IT Large for Hardware and Software	GSA	TBD	
5	IT	Wireless Mobility Solutions	GSA	TBD	
6	IT	COMSATCOM Program	GSA	TBD	
7	IT	STARS III	GSA	TBD	
8	IT	Alliant 2	GSA	TBD	
9	IT	Veterans Technology Services 2	GSA	TBD	
10	IT	Enterprise Infrastructure Services	GSA	TBD	
11	IT	NITAAC CIO SP3 Small Business	NIH	TBD	
12	IT	NITAAC CIO SP3 Unrestricted	NIH	TBD	
13	Facilities & Construction	FSSI Building Maint. & Operations (BMO)	GSA	TBD	
14	Facilities & Construction	USACE Facilities Reduction Program (FRP)	Army Corps	TBD	

DETAILED BIC sustainability compliance scorecard—(continued)

#	spend category	BIC name	managing agency	BIC review results
15	Industrial Prod & Services	Maintenance Repair Facility Supplies (MRFS)	GSA	TBD
				TBD
16	Office Management	FSSI Office Supplies (OS4)	GSA	TBD
17	Office Management	GSA Global Supply Requisition Channel	GSA	TBD
				TBD
18	Professional Services	Identity Protection Services (IPS)	GSA	TBD
19	Professional Services	OASIS	GSA	TBD
20	Professional Services	OASIS Small Business	GSA	TBD
				TBD
21	Transportation & Logistics	AutoChoice for Vehicle Purchasing	GSA	TBD
22	Transportation & Logistics	DLA Direct Delivery Fuels Solution	DLA	TBD
23	Transportation & Logistics	DOD Next Generation Delivery Service (NGDS)	DOD	TBD
24	Transportation & Logistics	GSA Fleet for Vehicle Leasing	GSA	TBD

Automation Opportunities to Advance Sustainable Procurement

What's the Problem?

- Current State:
  - Several required sustainable procurement clauses which vary by product/service
  - Selection of applicable clauses currently left to RFP writers – very time consuming
  - Very Low compliance rates with sustainable procurement requirements
  - Contract writing systems not helping to solve this problem

FAR (Federal Acquisition Regulations) sustainability text applicable to all contracts

Clause no.	Topic	Title / description
23.703	Acquisition of environmentally preferable products and services (Water Sense, Safer Choice, and EPA Recommendations of Specifications, Standards, and Ecolabels)	Policy on cost-effective contracting preference programs promoting energy-efficiency, water conservation, and the acquisition of environmentally preferable products and services
47.305	Reductions in energy consumption by transportation carriers	Solicitation provisions, contract clauses, and transportation factors.
52.204-4	Print or copy on double-sided and post-consumer fiber	Printed or Copied Double-Sided on Postconsumer Fiber Content Paper
52.223-3	Hazardous material identification	Hazardous Material Identification and Material Safety Data
52.223-5	Info for compliance with Emergency Planning and Community Right-to-Know Act	Pollution Prevention and Right-to-Know Information
52.223-10	Waste reduction including reducing PFAS[4]	Waste Reduction Program
52.223-19	Environmental Management Systems	Compliance with Environmental Management Systems

FAR sustainability text applicable to contracts based on the products/services being offered

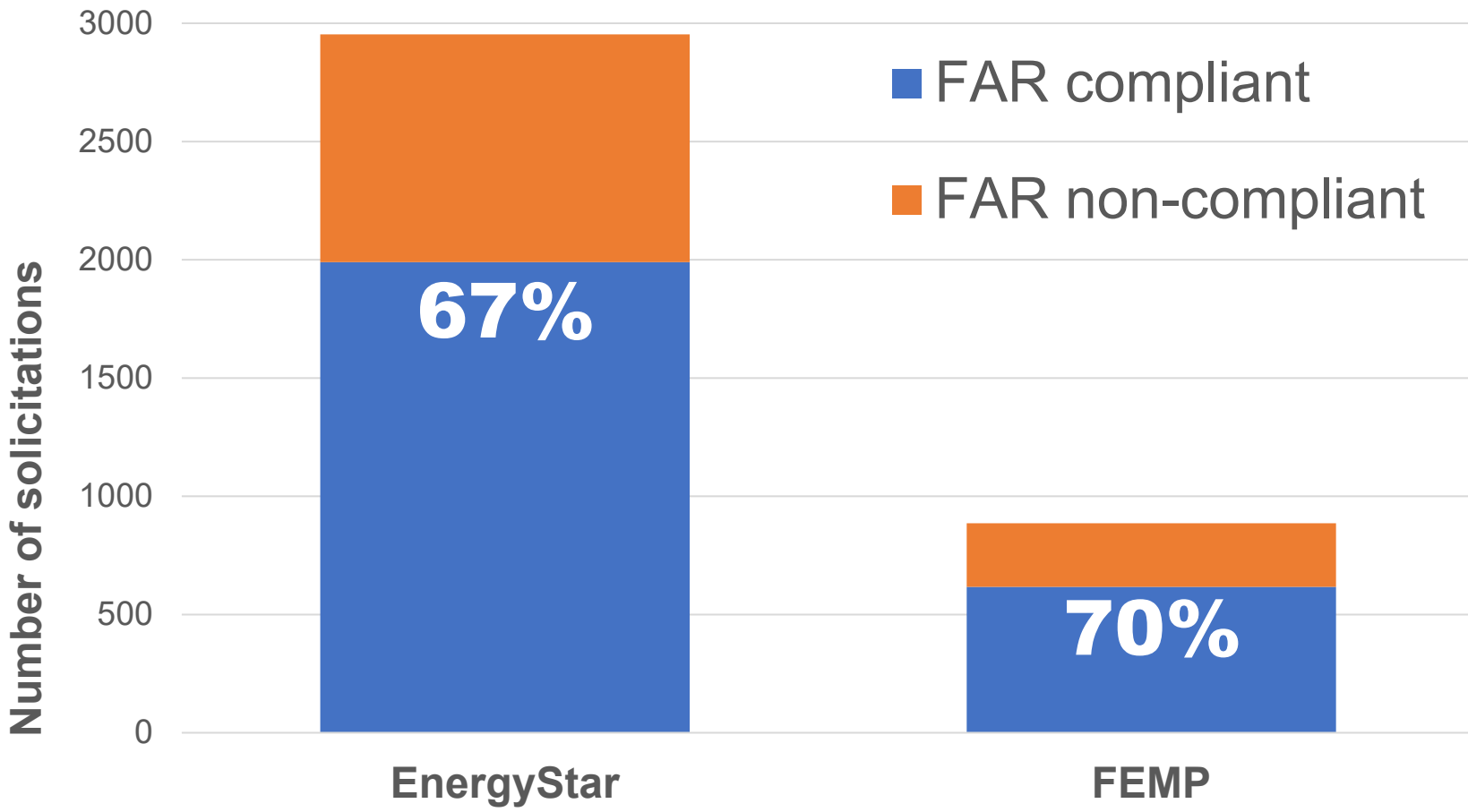| Clause no.	Topic	Title / description
23.704	EPEAT for electronic products	Acquisition of EPEAT®-Registered Electronics
52.223-4 52.223-9 52.223-17	Recovered/recycled materials (Comprehensive Procurement Guidelines for recycled content)	Recovered Material Certification; Affirmative Procurement of EPA-designated Items in Service and Construction Contracts Estimate of Percentage of Recovered Material Content for EPA-Designated Items
52.223-11 52.223-12 52.223-20 52.223-21	SNAP, stratospheric ozone-depleting substances and hydrofluorocarbons causing climate change	Ozone-Depleting Substances and High Global Warming Potential Hydrofluorocarbons; Maintenance, Service, Repair, or Disposal of Refrigeration Equipment and Air Conditioners.
52.223-13 52.223-14 52.223-16	EPEAT for electronic products	Acquisition of EPEAT®-Registered Electronics
52.223-15	ENERGY STAR, FEMP, energy efficiency	Energy Efficiency in Energy-Consuming Products
52.223-1 52.223-2	Biobased / Biopreferred products	Biobased Product Certification and Affirmative Procurement of Biobased Products Under Service and Construction Contracts

FAR sustainability text that applies to all contracts issued after Dec 2021

- Vendors shall ensure that products and services purchased or provided through this contract comply with the FAR clauses above and, to the maximum extent practicable, meet the relevant U.S. EPA Recommendations of Specifications, Standards, and Ecolabels for Federal Purchasing. (23.703)

FAR sustainability text that applies to contracts issued after Dec 2021 offering certain products/services

- Vendors shall purchase WaterSense-certified products when purchasing products under this contract covered by the WaterSense Program ([OMB memo 22-06](#))
- WaterSense for water efficient products
- Vendors shall purchase Safer Choice-certified products when purchasing products under this contract covered by the Safer Choice Program ([OMB memo 22-06](#))
- Safer Choice for safer formulated products
- For any electronic equipment removed by the Contractor and scheduled to be refurbished or recycled, the Contractor is required to demonstrate as part of its management plan that those actions will be handled by a refurbisher or recycler that is third party certified to one of the known electronics recycling certification programs that is used in the United States, the Responsible Recycling Standard for Electronics Recyclers (R2) or the e-Stewards Standard for Responsible Recycling and Reuse of Electronic Equipment ©(e-Stewards®) Electronics equipment disposal.

Why Integrate Green Purchasing into Contract Writing Systems?

- Save FTE Resources
- Increase Compliance
- Simplify and integrate into standard practice

What's the Opportunity?

- Prioritize the most frequently used contract writing systems and update them to automate addition of sustainable procurement clauses in RFPs.

What's a Possible Solution?

- Automate sustainable procurement clause selection in PRISM
  - 80% of Federal Agencies use PRISM/STRIPES as their base contract writing system (as of 2015)
  - DOE manages the PRISM Federal Users Group
  - PRISM/STRIPES has capability to automate adding green procurement requirements into RFPs
  - GSA has created API to facilitate this automation in consultation with PRISM system providers but needs to be updated and applied

What Is Needed?

- Designate and fund a federal agency to focus on this opportunity (and others)
- Direct the PRISM Federal Users Group to explore this opportunity, and if ripe, tell Compusearch to activate this capability
- Pilot integration of the API into an Agency's federal contract writing system
- Post pilot, share lessons learned, expand to other Agencies
- Require/encourage RFP writers to use contract writing systems start to finish to develop RFPs
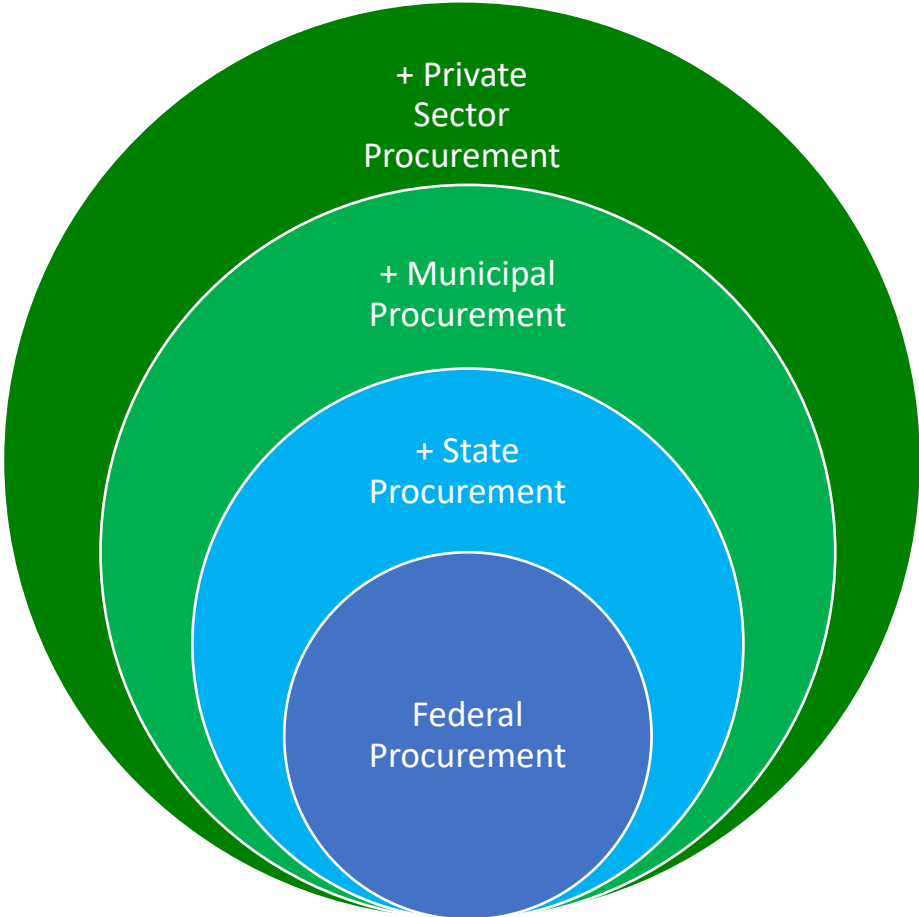- Coordinate with planned updates to FAR requirements

Questions?

United States
Environmental Protection
Agency

Further Information/Contacts

- Research Report on Federal Contract Writing Systems: https://www.epa.gov/greenerproducts/review-federal-e-procurement-systems

- About Sustainability Check:
  - Stephan Sylvan – sylvan.stephan@epa.gov
  - Holly Elwood – elwood.holly@epa.gov
  - Allie Thompson -- thompson.allison@epa.gov
  - Julie Volny – julie.volny@gsa.gov

- About Automation Opportunity:
  - Holly Elwood, Brennan Conaway – brennan.conaway@gsa.gov

Backpocket Slides

Sustainable Federal Procurement as a Force Multiplier

Concentric circles (from outermost to innermost):
- + Private Sector Procurement
- + Municipal Procurement
- + State Procurement
- Federal Procurement

Executive Order 14057 on Catalyzing Clean Energy Industries & Jobs through Federal Sustainability and accompanying Implementing Instructions

- Sets a Net-Zero Emissions Procurement Goal for the U.S. government by 2050
- Requires federal purchasers to procure products and services meeting statutory mandates (ENERGY STAR/FEMP, BioPreferred, CPG, SNAP) and then ensure procurement of products and services identified by the required EPA programs..:
  - WaterSense;
  - Safer Choice;
  - SmartWay Transport partners and SmartWay products; and
  - EPA Recommendations of Specifications, Standards, and Ecolabels for Federal Purchasing.
- Directs agencies to prioritize substitutes for products that contain perfluoroalkyl or polyfluoroalkyl substances (PFAS).
- Establishes the Net Zero Emissions Procurement Federal Leaders Working Group, including a Buy Clean Task Force, to drive strategy and implementation for low-carbon construction materials.

- Section 5(b) of E.O. 14030, Climate-Related Financial Risk, directs the Federal Acquisition Regulatory Council to consider amending the Federal Acquisition Regulation (FAR) to require major Federal suppliers to publicly disclose GHG emissions and climate-related financial risk and to set science-based reduction targets, and ensure that major Federal agency procurements minimize the risk of climate change

Why Use Private Sector Standards and Ecolabels to Achieve Our Missions?

- Available now! We can influence updates.
- Provide a market-based, multi-stakeholder collaborative approach for addressing environmental issues
- Bring a multi-attribute, lifecycle perspective which can avoid risk-shifting and greenwashing (e.g. GHGs + Toxics + Circularity)
- Simplify complex environmental issues for purchasers into an "easy button"
- Provide purchasers third-party verification of environmental performance & registries of compliant products/services

➢ The National Technology Transfer and Advancement Act (NTTAA) and related policies provide direction to Federal agencies on the use of and participation in private sector standards.

Ecolabels Found in the Global Marketplace Today (460+)

United States Environmental Protection Agency

The Recommendations of Specifications, Standards, and Ecolabels for Federal Purchasing (Recommendations)

Leveling the playing field & bringing clarity to the marketplace

Global Marketplace
460+ Standards/Ecolabels

✓

1) Based on review and use by another federal agency
OR
2) Based on an assessment against the multi-stakeholder developed Framework for Environmental Performance Standards and Ecolabels

The Recommendations
34 product categories, 40+ private sector standards/ecolabels, 3 specifications

Recommended Private Sector Standards/Ecolabels

1st Choice Private Sector Standards/Ecolabels:

Multi-attribute with confirmed accredited or conforming certification body:

Cradle to Cradle Certified™ Product Standard[1 #]

Access standard. EXIT

Find products. EXIT

Good Environmental Choice Australia (GECA) Floor Coverings[1 *]

Access standard. EXIT

Find products. EXIT

Sample Carpet Category

Product Categories Covered by the Recommendations

*Standards/ecolabels in these categories were assessed against an earlier version of the Framework in 2016

Cafeteria

- Food Service Ware: Containers, Cutlery, Dishware
- Commercial Dishwasher Detergent

Construction

- Adhesives
- Carpet*
- Ceiling Tiles-Acoustical
- Fiberboard, Gypsum Panels, and Wallboard
- Flooring*
- Insulation
- Interior Latex Paint*
- Other Miscellaneous Building Finishes*

Electronics & Associated Services

- Computers
- Cloud Services
- Electronics Recycling Services
- Energy Savings Performance Contracts
- Imaging Equipment
- Mobile Phones
- Network Equipment
- Print Management Services
- Photovoltaic Modules and Inverters
- Power Purchase Agreements
- Seat Management Services
- Servers
- Televisions
- Wireless Services

Machine Shop Operations

- Parts Wash Solution

Custodial

- Cleaners: Carpet, Glass, Multipurpose
- Floor Care
- Hand Soap
- Bathroom Tissue
- Paper Towels
- Trash Bags

Grounds/Landscaping

- Deicer

Office/Furniture

- Copy Paper
- Furniture*

EPP Program Recommendations Support

Standards and ecolabels currently recommended and influenced by EPA incentivize:

- **Climate Change Impact Reductions:**
  - Renewable energy use and energy efficiency in supply chains
  - Lower global warming potential process chemicals
  - Greener transport/shipping

- **Chemical Safety**
  - Full material inventory and disclosure
  - Chemical alternatives assessment
  - Selection of safer alternatives
  - Elimination or reduction of specific chemicals of concern:
    - Residing in the product (e.g., PFAS, flame retardants, plasticizers)
    - Used during manufacturing (e.g., Cleaning solvents)

- **Circular Economy**:
  - Recycling and reuse of critical minerals
  - Reducing/eliminating single use plastics
  - Design for ease of refurbishment & reuse

- **Environmental Justice:**
  - Protecting frontline communities by increasing supply of and demand for sustainable products and services

The Impact of the Recommendations

Example: Benefits of recommending the EPEAT ecolabel in the electronic product categories: TVs, Mobile Phones, Imaging Equipment, Computers/Displays, Servers

Total lifetime impact reductions and cost savings over the lifetime of EPEAT registered products purchased in 2020

- # of EPEAT registered products purchased by the U.S. Federal Government: ~27 million
- # of EPEAT registered products purchased worldwide = ~356 million

Environmental Impact Reductions	U.S. Federal Government	Worldwide
Energy (MWh)	19,818,080	84,216,828
GHG Emissions (MT of CE)	4,339,703	23,625,495
Municipal Solid Waste (MT)	424,237	1,734,878
Hazardous Waste (MT)	2,438	13,143
Cost Savings (dollars)	1,029,288,935	18,150,606,984

EPAT Calculators are available at: https://www.epeat.net/calculators

EPA United States Environmental Protection Agency

Currently Launching Expansion of the Recommendations

Who Should Apply?

- Standards development organizations, ecolabel programs, and associated conformity assessment bodies that recognize environmental performance leadership.

- Priority given to standards/ecolabels that:
  1. Are multi-attribute
  2. Support federal goals and mandates such as:
     - **Climate:** e.g. net-zero emissions procurement or low embodied carbon construction materials.
     - **Safer chemicals:** e.g. products that do not contain PFAS.
     - Other Administration sustainable acquisition priorities.
  3. Cover new sectors of interest.

- Standard/ecolabel organizations that address purchase categories already included in the Recommendations.

Sectors of Interest:
- Building/Construction
- Infrastructure
- Landscaping
- Food and cafeteria services
- Uniforms / clothing
- Professional services
- Laboratories and healthcare

Timeline for Expansion of the Recommendations

- January 1 – Deadline for applicants to indicate interest in being assessed to be added to EPA Recommendations by submitting responses to the scoping questions to epp@epa.gov

- Spring 2023 – EPA will issue a Prioritization Plan – which product/service categories and standards/ecolabels we will assess and in what order

- Spring/Fall 2023- EPA will assess standards/ecolabels against the Framework

- Fall 2023 – EPA will add new product/service categories and new standards/ecolabels to the Recommendations which meet the baseline criteria in our Framework to the Recommendations

The Framework for the Assessment of Environmental Performance Standards and Ecolabels

Section I: Standards development process

Section II: Effectiveness in addressing human and environmental health

Section III: Conformity assessment procedures

Section IV: Ecolabel program management

- Provides a transparent & consistent approach to assessing environmental performance standards & ecolabels for incorporation into the Recommendations.
- Aligned with USG standards policy (OMB A119, NTTAA) and relevant international guides and protocols
- Encourages best practices for environmental performance leadership standards & ecolabels.
- Initially developed in 2011 - 2015 through an interagency & multi-stakeholder, consensus-based process (included public comment and pilot testing).
- Updated version published in March 2022 based on lessons learned during the pilot and to ensure alignment with USG policies.

For more on the Framework Development History:
https://www.epa.gov/greenerproducts/framework-development-overview

Scoping Questions

- Responses will help EPA understand the level of interest from the standard/ecolabel community and will be used to confirm if an applicant is eligible for a full assessment against the Framework.

Questions include:
  - Contact information
  - Applicable purchase categories
  - Which sections of the Framework the respondent is planning to be assessed against
  - Whether there is sufficient certified product or supplier availability*
  - Whether there is a publicly available and current product registry*
  - If the standard/ecolabel includes criteria that meet or exceed the existing statutory sustainable acquisition mandates relevant to the product or service category(ies)**
    - Statutory requirements include: CPG, ENERGY STAR/FEMP, BioPreferred, and SNAP

* Responses to these questions will be used to determine eligibility for implementation in federal purchasing, however standards/ecolabels not yet meeting these criteria are still welcome to apply and can be recognized as conforming to the Framework.
** Responses to this questions may be used by federal purchasers when determining if/how to use the standard/ecolabel to meet the existing statutory sustainable purchasing mandates.

Additional Resources

- Email: epp@epa.gov
- Sign up for the EPP listserv
- EPA's Sustainable Marketplace: Greener Products and Services
- EPA's Recommendations of Specifications, Standards and Ecolabels
- EPA's Framework for Assessing Environmental Performance Standards and Ecolabels
- How EPA's Recommended Standards and Ecolabels Address PFAS
- E.O 14057 & Federal Sustainability Plan
- World Bank's *Green Public Procurement: An Overview of Green Reforms in Country Procurement Systems*