

Appendix X: Green Procurement

As the largest federal buyer of goods and services, the Department of Defense (DoD) strives to ensure that procurement activities are aligned to meet the requirements of all applicable federal green procurement preference programs. DoD established a formal Green Procurement Program (GPP) in 2004 to encourage DoD Components to purchase environmentally preferable and biobased products. Orienting procurement around environmental considerations, such as energy use and resource conservation, assists DoD in achieving environmental compliance goals, while also reducing natural resources depletion, and solid and hazardous waste generation.

The GPP supports mission readiness through cost-effective acquisition that achieves compliance with federal green procurement policies and reduces resource consumption. DoD's GPP objectives, as defined in the DoD GPP Strategy, are to:

- ▶ Educate appropriate DoD personnel about the requirements associated with federal green procurement preference programs and their roles and responsibilities in executing environmentally preferable procurement programs
- ▶ Increase the purchase of green products and services
- ▶ Reduce the amount of solid waste generated
- ▶ Reduce consumption of energy and natural resources
- ▶ Expand markets for green products and services.

DoD's GPP applies to all acquisitions, from major systems programs to individual unit supply and service requisitions. Products and services included in DoD's GPP are office products (electronic equipment); printing services; fleet vehicles; fleet maintenance products; traffic control barricades and signage; park and recreation services; appliances; and building construction, renovation, and maintenance (e.g., janitorial, landscape). These products and services are addressed in one or more of the following components of the federal green procurement preference program:

- ▶ Recycled-content products designated in EPA's Comprehensive Procurement Guidelines
- ▶ ENERGY STAR® products, as well as energy-efficient products designated by the Federal Energy Management Program (FEMP) and identified by DOE and EPA
- ▶ Water-efficient products, including those meeting EPA's WaterSense standards
- ▶ Energy from renewable sources

- ▶ Biobased products designated by the U.S. Department of Agriculture (USDA) in the BioPreferred program
- ▶ Environmentally preferable products and services, including electronic products registered by the Electronic Product Environmental Assessment Tool (EPEAT)
- ▶ Alternative fuel vehicles and alternative fuels required by the Energy Policy Act (EPAAct) of 2005
- ▶ Products with low or no toxic or hazardous constituents, consistent with section VIII.A of the Instructions for Implementing Executive Order (E.O.) 13423
- ▶ Non-ozone depleting substances, as identified in EPA's Significant New Alternatives Program.

The GPP encompasses many federal procurement preference programs with diverse management practices; however, the framework used for the GPP is the same basic framework of an environmental management system (EMS). This framework consists of policy, planning, implementation and operation, checking and corrective action, and management review. DoD uses this process to place orders, make purchases, and establish contracts for products and services.

Applicable Requirements

E.O. 13423, Strengthening Federal Environmental, Energy, and Transportation Management, identifies green purchasing requirements as important environmental practices required for all federal agencies. E.O. 13423 replaced and expanded on the former E.O. 13101, Greening the Government Through Waste Prevention, Recycling, and Federal Acquisition. The Instructions for Implementing E.O. 13423 require federal agencies responsible for green purchasing programs to use sustainable environmental practices in meeting new requirements, coordinating green product designations, and providing adequate guidance for GPP implementation.

Section 6002 of the Resource Conservation and Recovery Act (RCRA) established the Affirmative Procurement

Program and requires federal agencies to purchase recycled-content products, as well as report annually on progress made in environmentally preferable procurement. Additionally, Section 9002 of the 2002 Farm Security and Rural Investment Act (Farm Bill) created the Federal Biobased Products Preferred Purchasing Program, which requires federal agencies to purchase biobased products that fall within designated item categories. In Fiscal Year (FY) 2008, the Federal Acquisition Regulation was amended to require the purchase of biobased products in contract language. It also authorized contracting officers to require vendors to provide information on life-cycle costs and environmental and health benefits. Other drivers include the EPAAct of 2005 and the Energy Independence and Security Act (EISA) of 2007. These drivers ensure that DoD's GPP will increase the purchase of items composed of recycled, recovered, and biobased materials to the maximum extent possible.

Section 888 of the FY2008 National Defense Authorization Act (NDAA) requires DoD to submit a report to Congress on a plan increasing the usage of environmentally-friendly products that minimize potential impacts to human health and the environment at all DoD facilities inside and outside of the United States. In response, DoD prepared a report stating that the GPP Strategy provides guidance for green procurement at DoD facilities. In addition, due to the differences in Components' green procurement programs and the robustness of the information needed to be tracked, DoD plans to assess improvement in purchasing green products and services using currently available procurement and logistics systems.

Current Management Practices

In FY2008, DoD began the process to update the GPP Strategy to reflect current legislation and guidance, including E.O. 13423, EISA 2007, EPAAct 2005, EPEAT-registered products, ENERGY STAR®-qualified products, FEMP-designated products, USDA BioPreferred products, and green purchasing training sites.

In addition, DoD launched an online GPP training course, available through the Defense Acquisition University, consisting of four modules: an introduction to green procurement; applicable policies and laws; components of the GPP; and GPP implementation. The course provides an opportunity to learn about integrating environmental sustainability into purchasing decisions and practices, and is used by several other federal agencies.

DoD is also developing a strategy to support the biobased product preference requirements established by the Farm Bill, outlining the strategy for compliance and the implementation regulations promulgated by the USDA.

Section 314 of the FY2003 NDAA requires the Secretary of Defense to develop and implement a system for tracking Defense Logistics Agency (DLA) procurements of environmentally preferable items. This section describes the tools that were developed to meet this requirement.

In November 2003, DLA enhanced an existing system, the Environmental Reporting Logistics System (ERLS), with a Web-based Green Procurement Report (GPR) capability to meet the requirements of FY2003 NDAA, Section 314. Initially the ERLS GPR captured DLA requisitions from a variety of ordering systems and compiled the transaction records together with the National Stock Numbers (NSNs) identified as environmentally preferable in the Federal Catalog System (FCS), to calculate the dollar value of these requisitions. Over time, the ERLS GPR has evolved with other DLA business systems. In addition to reporting data on green purchases from DLA, the Web-based ERLS GPR also provides customers with the ability to monitor their acquisitions from DLA and the General Services Administration stock system.

The NSN items in the FCS that are considered environmentally advantageous, environmentally preferable, or "green", have been designated as such on the basis of environmental attributes defined by the Joint Group on Environmental Attributes (JGEnvAtt). The JGEnvAtt is responsible for selecting, evaluating, and approving proposed

attributes for inclusion in the FCS on the basis of regulatory or policy priority, availability of a technical definition, and evidence of cost benefit. DLA chairs the JGEnvAtt, while the Army, Navy, Marine Corps, Air Force, and GSA are voting members. The current list of environmental attributes includes the following products:

- ▶ Recycled content
- ▶ Energy efficiency
- ▶ Low standby power
- ▶ EPEAT-registered
- ▶ Water conserving
- ▶ Low volatile organic compounds
- ▶ Asbestos alternative
- ▶ Non-mercury alternative
- ▶ Non-cadmium alternative
- ▶ Biobased

This set of attributes reflects the federal procurement preference mandates established under E.O. 13423, RCRA Section 6002, the EPCRA 2005, and the Farm Bill along with other policy priorities. Each item determined to conform to one of the environmental attributes is identified in the FCS with an alphanumeric code known as an environmental attribute code.

Another DLA management tool is DoD EMALL, a full service electronic shopping tool which strives to be the single entry point for purchasers to find and acquire off-the-shelf, finished goods and services from the commercial marketplace and government sources. To comply with DoD's GPP strategy of increasing the purchases of environmentally preferable products, DoD EMALL has implemented steps to facilitate the identification and procurement of both government and commercial vendor items that meet specific environmental

criteria. During FY2008, DoD EMALL began retrieving the most current ENERGY STAR® qualified products list in order to provide up-to-date information on energy-efficient products listed in DoD EMALL. The conversion to criteria-based green product determinations was initiated, which increased the number of listed products. Currently, all products with green attributes are identified with a "green tree" icon. Green purchases made within the DoD EMALL system are recorded in a quarterly report.

Additionally, the Federal Procurement Data System-Next Generation (FPDS-NG) tracks contract actions by determining whether EPA-designated products will be used. Efforts are currently underway to enhance the capture of green purchases in FPDS-NG. Each of these systems may be used as a separate tool to measure the purchase of green products.

Performance Evaluation Criteria

In FY2008, the Office of the Federal Environmental Executive renamed the RCRA 6002 Report to the E.O. 13423 Sustainable Practices Report: Green Purchasing, Waste Management, and Chemicals Management, in an effort to move beyond green purchasing and waste management questions to a sustainability construct. This report expanded the scope of reported products to include WaterSense and water-efficient products, EPEAT-registered products, renewable energy, and alternative fuels and vehicles. Additionally, the E.O. 13423 Sustainable Practices Report evaluates the role of the EMS in green purchasing decisions and requests Components to describe implementation efforts of the DoD Toxic and Hazardous Chemicals Reduction Plan, specifically addressing any FY2008 milestones identified in the plan.

GPP metrics, which are found in the DoD GPP Strategy, continue to be updated and revised to encompass E.O. 13423 requirements and revisions to the Farm Bill. These GPP metrics will allow DoD to review and monitor green procurement performance trends, including the following:

- ▶ The percentage change in the number of "not required" and "meets requirements" codes from the individual contracting action report
- ▶ The percentage increase in purchases of federally defined indicator items
- ▶ The percentage increase in contracting personnel trained in green procurement
- ▶ The percentage increase in organizations or installations participating in the Federal Electronics Challenge
- ▶ The percentage decrease in contract audit findings indicating lack of compliance with GPP requirements.

Additional information on GPP progress will be available in the 2008 E.O. 13423 Sustainable Practices Report.

Through annual reporting and further implementation, DoD's procurement of green products and services contributes to sound management of DoD's financial resources, natural resources, and energy. Proper attention to green procurement will enhance DoD's credibility and demonstrate DoD's commitment to environmental stewardship by becoming a model consumer of green products and services.