

2.3

Green Procurement

Federal facility managers are required to comply with numerous Executive Orders and individual agency or departmental policies that are designed to encourage green procurement of everything from computer equipment to building materials to A&E services. Resources and references are available to assist in identifying and buying greener products and services within the constraints and requirements that apply to Federal procurement. In addition to meeting requirements, the Federal government can use its buying power to encourage product stewardship programs (for example, by purchasing third-party-certified wood products, leasing rather than purchasing long-life products, and participating in manufacturer “take-back” programs for end-of-life recycling of products) and to further the use of renewable energy sources (for example, purchasing “green electricity” from power companies that offer it).

Opportunities

The Federal government is the world’s largest single buyer of many products. By providing a large, reliable market for green products and services, Federal purchasing helps to lower the costs of these products and services for all consumers. In addition, by demonstrating the effectiveness, feasibility, and value of these products and services, Federal agencies provide a model for other government purchasers as well as the private sector. As a result, Federal facility managers play a vital role in developing the market for green products and services. The Federal government also plays an important role in encouraging A&E firms to build their capabilities in green design; several Federal agencies have built expertise in sustainable design into their procurement criteria, thus bringing mainstream firms into the green building field. Procuring “green electricity” (which is generated from renewable energy sources) provides a high-visibility and relatively easy way to help make a facility greener. Some utility companies are now offering green electricity at a relatively modest premium that many Federal facility managers will find affordable. Deregulation is expected to significantly expand green electricity options.

Technical Information

Relevant requirements for Federal procurements include:

- Executive Order 13123, “Greening the Government Through Efficient Energy Management”
- Executive Order 13101, “Greening the Government Through Waste Prevention, Recycling, and Federal Acquisition”
- Executive Order 12902, “Energy Efficiency and Water Conservation at Federal Facilities”
- Executive Order 12873, “Federal Acquisition, Recycling, and Waste Prevention”
- Executive Order 12843, “Procurement Requirements and Policies for Federal Agencies for Ozone-Depleting Substances”
- Executive Memorandum, “Environmental and Economically Beneficial Practices on Federal Landscaped Grounds”
- Energy Policy Act of 1992
- Federal Acquisition Regulation Part 23, Environment, Conservation, Occupational Safety, and Drug-Free Workplace
- Comprehensive Procurement Guidelines for Procurement of Products Containing Recovered Materials, applicable to agencies purchasing \$10,000 or more of a designated product.

More detailed descriptions of these and other requirements are contained in *Section 1.3 – Current Federal Regulations*.

In addition to these requirements, other considerations for greener procurement of products and services include the following:

- In some cases, procurement can be linked to “take back” programs, in which materials salvaged from demolition can be returned for refurbishing, remanufacture, or recycling. For example, at least one large ceiling tile manufacturer has implemented such a program.
- At least one carpet manufacturer offers an option to lease carpet rather than purchase it, and a large manufacturer of heating, ventilating, and air-conditioning (HVAC) equipment is expected to launch

a leasing program. Under these leases, the manufacturer provides a service—covering the floor or chilling water, for example—and takes responsibility for replacing worn material or equipment as needed.

- *Integrated design* is the key to the most cost-effective green procurement strategy. By exploring the interactions among various design options and purchases, we can often identify first-cost savings for certain products that can be applied to purchases of other, more expensive, items, so that total project costs are no higher. For example, increases in energy efficiency (through improvements in the building envelope) might enable the HVAC equipment to be downsized, with an accompanying reduction in HVAC cost that can finance potentially higher cost windows, insulation, and other envelope features. See *Section 4.1 – Integrated Building Design*.
- Decisions about which products are “greenest” will vary from one site or location to another based on what is produced locally as well as which designs and products are best suited to the opportunities and constraints of the site and location.

Green procurement involves contracting for A&E and other consulting services as well as purchasing of products and services. Traditional Federal contracting has been based on selecting the lowest-cost (sometimes least-qualified) bidder, with no requirements for experience or expertise in green design. Some agencies are changing their process and criteria for procurement of A&E services to incorporate green features. Innovations include:

- Incorporating specific criteria into procurement language—the Navy now requires all A&E firms to demonstrate qualifications in sustainable design.
- Using performance contracts.
- Using incentive contracts—the Pentagon promoted the use of environmentally preferable materials in a recent repaving of its parking lots by offering up to a 10% incentive for the contractor to identify and use preferable products, defined by specific attributes. (See *Paving the Road to Success*, EPA publication 742-R-97-007.)
- Using design-build contracts instead of design-bid-build to establish performance goals, encourage incorporation of new materials and technologies, and facilitate integrated design during the early stages of the project.

References and Contacts

The Federal Procurement Challenge is a voluntary, government-wide program. Begun in 1995, the program has attracted 22 Federal agencies, representing over 95% of Federal purchasing power. These agencies committed themselves to provide leadership by purchasing products that are in the upper 25% of energy efficiency for all similar products when they are cost-effective. FEMP supports Challenge participants with technical support, product efficiency recommendations (including fact sheets), software, basic ordering agreements for specific energy-saving products and services, and assistance in using ESPCs to finance specific purchases and initiatives.

DOE issues *Product Energy-Efficiency Recommendations* for products. The *Recommendations* are easy-to-use, two-page summaries that provide Federal buyers with information on efficiency, cost-effectiveness, buyer tips, and additional sources of information. They can be obtained through the FEMP Help Desk or Web site.

The *Comprehensive Procurement Guidelines*, associated *Recovered Materials Advisory Notices*, and *Fact Sheets* can be obtained through the EPA Web site (www.epa.gov).

Copies of Executive Orders can be obtained through the White House Web site (www.whitehouse.gov).

The GSA highlights “environmentally preferable” products on its Planet GSA Web site (hydra.gsa.gov/) and in its supply schedule.

The *GreenSpec* product directory includes comprehensive listings for over 1,200 green building products selected by the publishers of *Environmental Building News* (www.greenspec.com, www.BuildingGreen.com).

The *Harris Directory* is a computer database of recycled and other pollution-preventing materials (www.harrisdirectory.com).

The *REDI Guide* is a Web-based database of green products and materials (www.oikos.com).

The Certified Forest Products Council provides a database of certified wood products (www.certifiedwood.org).