

UNITED STATES¹

Context and background

All United States federal government agencies use the Federal Procurement Data System (FPDS) to report on public procurements greater than USD 25 000. The 25 largest agencies are mandated to report and self-monitor quarterly, on which they are assessed semi-annually by an Office of Management and Budget (OMB) scorecard; another 20-30 small agencies voluntarily comply and report.

The US federal government occupies nearly 500 000 buildings, operates more than 600 000 vehicles, employs more than 1.8 million civilians and purchases more than USD 500 billion per year in goods and services. For procurements, the US government has established mandates for socio-economic goals such as purchasing from small businesses; firms that employ blind, deaf or otherwise handicapped individuals (Ability One); companies owned by Native Americans, women and other diverse or socially disadvantaged groups; and green purchasing/sustainable acquisition.

Objectives

This case study focuses on the environmental acquisition efforts. Green purchasing/sustainable acquisition in the US federal government dates to 1976, with passage of the first law establishing a preference programme for recycled products – those made with recovered materials. There are statutory mandates from Congress, various Executive Order mandates (signed by the President of the United States) and implementation guidance to help agencies understand and meet the wide array of green purchasing mandates. The federal programme now covers recycled content products, energy- and water-efficient products, bio-based products, environmentally preferable products, alternative fuel vehicles and reduction of toxic and hazardous materials. The federal government has been emphasising sustainable acquisition or green procurement monitoring and reporting since the early 1990s and reports to Congress every two years on the results. The FPDS continues to be refined and improved as a tool to help agencies accurately report compliance with the sustainable acquisition mandates.

All of the sustainability mandates have also been incorporated into the Federal Acquisition Regulation (FAR) which covers all procurement requirements for federal purchases. For micro-purchases that fall below the FPDS reporting threshold, FAR coverage still mandates sustainable acquisition compliance.

Three agencies have the lead in designating products and providing purchasing recommendations to the other agencies: the US Environmental Protection Agency, the US Department of Energy and the US Department of Agriculture. These three agencies have designated environmental criteria for more than 300 product categories; see www.sftool.gov/greenprocurement for the full list and the criteria.

Agencies purchase products through procurement platforms such as GSA (General Services Administration) Advantage or the Defence Logistics Agency's E-mall. In addition, agencies issue their own contracts or orders against established contracts such as GSA's multiple award schedule contracts. Agencies can specify which green products they want to purchase and define what it means for these products to be "green" in scopes of work or by the inclusion of clauses or by reference to environmental programmes. Required contract clauses are located in the FAR.

1. Case study submitted by the Environmental Protection Agency, United States.

Implementation

Compliance with the sustainable acquisition goals and mandates ultimately contribute to the overall success of the US government's goal to reduce greenhouse gas (GHG) emissions, contribute to energy- and water-efficiency goals, reduce the government's petroleum use, and create and support markets for recovered and bio-based materials. The goals of Executive Order 13514 are:

- By 2020, the federal government will reduce Scope 1 & 2 Greenhouse Gas emissions (GHG) by 28% as compared to its 2008 baseline.
- By 2020, the federal government will reduce identified Scope 3 GHG by 13% as compared to its 2008 baseline.
- By 2015, the federal government will reduce its energy intensity in goal-subject facilities by 30% as compared to its 2003 baseline.
- By 2020, the federal government will reduce its potable water intensity by 26% as compared to its 2007 baseline.
- By 2015, the federal government will reduce its fleet petroleum use by 20% as compared to its 2005 baseline.

More specifically, Executive Order 13514 Section 2(h) reinforces compliance with all of the sustainable acquisition standards and mandates that "...the head of each (federal) agency shall: ...ensure that 95 percent of new contract actions...are energy-efficient (Energy Star or Federal Energy Management Program (FEMP) designated), water-efficient, bio-based, environmentally preferable (e.g. Electronic Product Environmental Assessment Tool (EPEAT) certified), non-ozone depleting, contain recycled content, or are non-toxic or less toxic alternatives...." (signed by President Obama on 9 October 2010).

Currently, sustainable acquisition requirements apply to products, including products supplied or used as part of services contracts. They are defined as being relevant to the following purchase categories:

- electricity
- design and/or construction
- operations and maintenance
- janitorial products/services
- office supplies
- furniture
- cafeteria ware/services
- fleet management
- hospitality: uniforms/bedding/linens

- meetings and conference services
- IT equipment.

The product category-specific mandates/criteria are available in a searchable tool at: <http://sftool.gov/GreenProcurement>. Referenced standards include:

- recycled content (1976): www.epa.gov/cpg/products.htm
- Energy Star/efficient (1993): www.energystar.gov and www.eere.energy.gov/femp/procurement
- non-ozone depleting substances (1998): www.epa.gov/ozone/snap/general/index.html
- bio-based/bio-preferred (2002): www.biopreferred.gov
- toxic and hazardous chemicals (2007) (in the future may link to the EPA DfE Safer Chemicals Ingredients List): www.epa.gov/dfesaferingredients.htm
- water efficient (2007) (in the future may link to the EPA Watersense Program): www.epa.gov/watersense
- environmentally preferable (1993): www.epa.gov/epp; www.epa.gov/epeat
- high-performance, green buildings (2007): www.wbdg.org/references/fhpsb_new.php
- other: www.eere.energy.gov/EE/transportation.html.

From 20 November 2013 to 25 April 2014, the EPA received public comments on draft Guidelines for Assessing Private Sector Standards and Eco-labels. When implemented, the US EPA envisions that conforming private sector standards would be utilised more consistently by federal agencies, augmenting the above list of primarily government standards and eco-labels to help meet the goals of EO 13514 section 2(h). Such an approach would be consistent with the National Technology Transfer and Advancement Act and Office of Management and Budget Circular A-119, which directs federal agencies to use private sector consensus standards instead of government-unique standards in procurement and regulations, unless otherwise impracticable. For more information, see: www.epa.gov/epp/draftGuidelines.

Impacts and monitoring

US federal agency compliance is monitored through a variety of mechanisms. In addition to the FPDS data system where all procurement information is tracked, agencies are expected to submit an annual

Strategic Sustainability Performance Plan (see www.whitehouse.gov/administration/eop/ceq/sustainability/plans), which identifies specific actions and goals they plan to achieve in the coming year. In addition, key milestones and activities are tracked and assessed through semi-annual scorecards (see www.whitehouse.gov/administration/eop/ceq/sustainability/omb-scorecards%20%20).

These scorecards are used by OMB and the Council on Environmental Quality (CEQ) to monitor whether individual agencies are staying on track toward achieving the overarching government-wide goals and how much progress agencies are making to achieve the activities and milestones identified

in their annual plans or as prescribed by OMB and the CEQ for all agencies. In providing input on sustainable acquisition for the scorecard assessments, agencies are asked to conduct quarterly reviews of at least 5% of the acquisitions awarded in that period and report on compliance with the sustainable acquisition goals. If agencies fall below the 95% compliance rate, they are supposed to identify corrective actions that they will take during the following six-month period to address the barriers or underlying conditions for non-compliance.

Challenges and risks

During the last assessment period, many agencies focused on improving the quality of sustainable acquisition data submitted to the FPDS. Although agencies are including the requirements and contract clauses necessary to purchase the designated green products, they may not be accurately reflecting their sustainable acquisition purchases in the FPDS. In addition, agencies will identify particular areas of emphasis, for example review of all recent design and construction contracts, for requirements and compliance with applicable requirements. Agencies are also beginning to baseline their performance for individual requirements, such as for bio-based products or EPEAT-registered electronics. Currently, the United States is using the FPDS data as a backup for checking compliance but once the quality of data improves, it may become the main reporting tool for biannual assessments through the public scorecard process.

There are a number of incentives beyond the public scorecards to promote implementation. Since the 1990s, presidential awards have been given to federal agency teams and individuals that exemplify leadership in sustainable procurement (see: www.whitehouse.gov/greengov/presidential-awards).

Human and economic resources

Senior sustainability officers within individual agencies determine their own needs and are expected to provide staffing for their agency-level sustainable acquisition programmes.

Summary of results

See: <http://sustainability.performance.gov>.

Key lessons learnt

The US federal government does not have a single, unified green purchasing law or unified procurement system. Because there are hundreds of thousands of buying points across multiple agencies, without one unified law or purchasing system, it is very difficult for US federal government agencies to obtain accurate information and track which green products they purchase. In addition, because many items are purchased as part of services contracts and product-level data are not usually tracked under these contracts, tracking and reporting is difficult.

The US federal government is developing new and improved ways to integrate green products into acquisition systems. Some agencies have found innovative ways to lead. For example, in addition to reporting per EO 13514 goals and mandates, the Department of Energy's (DOE) GreenBuy Program provides DOE sites with additional recognition for reporting on purchases of specific "Priority Products." The DOE developed a list of priority products, which includes 40 products in 7 categories, in order to identify products that go beyond minimum compliance and embody leadership-level sustainability attributes. The priority products list provides the DOE sites with optional stretch goals they can use to help focus their sustainable acquisition efforts. Sites can tailor this list to meet their specific circumstances, allowing them to select categories and products of most

value at the local level. Facilities may report additional green products and are encouraged to nominate new candidates for the list. This list also assists sites in engaging with the suppliers and informing contract language and related reviews. The recognition programme provides significant incentives to report on a voluntary basis for a smaller number of products in order to reward effective procurement programmes.