Webinar: Tracking and Reporting on Responsible Purchasing

Moderator: Jonathan Cohen
March 11, 2010
Tracking Spending and The Model

Responsible Purchasing Report

Vincent Kitira
RPN Manager
March 11, 2010

www.ResponsiblePurchasing.org
Agenda

1. Why Track and Report?
2. What to Track?
3. How to Track?
4. Case Studies from N.Y.C. and D.C.
5. Model Responsible Purchasing Report
My Background

- City of New York EPP Program Manager
- Responsible for Annual and Biannual EPP Reports
1. Why Track and Report?

- Meet reporting requirements
- Share your success!
  - Identify cost and resource savings
  - Measure environmental benefits using calculators
  - Demonstrate the financial case for a Responsible Purchasing Program
  - Identify challenges and opportunities
  - Plan for future efforts
2. What to Track?

- Define “GREEN” products
- Consider Federal Gov’t definition for Environmentally Preferable: “products or services that have a lesser or reduced effect on human health and the environment when compared with competing products or services that serve the same purpose. The product or service comparison may consider raw materials acquisition, production, manufacturing, packaging, distribution, reuse, operation, maintenance, or disposal.”
  - Evaluate the ENTIRE lifecycle!
  - This definition does not include social considerations
3. How to Track?

• Best Practices – can be found in the RPN Model Responsible Purchasing Report

1. Form a **Team**
2. Define “GREEN”
3. Establish a Baseline
4. Review Current Practices
5. Set Goals
6. Design and Implement **Tracking System**
7. Monitor and Measure Progress
8. Gather Data and Calculate Benefits
9. Write and Distribute Responsible Purchasing Report
Tracking Systems

- Approach #1: Ask vendors for purchase data, utilizing contract language
  - Pros:
    - Burden on vendors to supply data
    - Gives valid data on quantity purchased, dollar value and green attributes of products and services
  - Cons:
    - Can be time consuming
    - Data can be hard to come by
Tracking Systems

• **Approach # 2: Use your own purchasing system to track purchases**
  
  – **Pros:**
    
    • Exact quantity and dollar values measured
    • Can give insight into barriers to green product purchases
    • Long term savings

  – **Cons:**
    
    • Creating a system can be consume time and money and requires support of relevant colleagues
    • Buyers may have trouble identifying green products
    • Data might be inaccurate depending on user knowledge
4. Case Study: DC

- First attempt: **Indicator System**
  - Buyer would mark Green Product Indicator as “GREEN”
    - Produced unreliable data
    - No definition for “GREEN” products
    - Indicator applied to entire purchase orders, not individual items
    - Problems assessing “GREEN” services
4. Case Study: DC

- New Approach: **Green Commodity Codes**
  - **Pros:**
    - Tied to Individual Products
    - Description can be tailored to D.C.’s definition of “GREEN”
    - Non-Green products can be removed from catalog
  - **Cons:**
    - Does not address service contracts
    - Cannot differentiate between “shades of green”
4. Case Study: NYC

- Used a hybrid model:
  - Got some data from vendors
  - Also estimated purchases using contract term lengths and bid award amounts

  - **Example**: If the winning bid on a 5 year “green” paper contract was $10 million, it was estimated that $10M / 5 years = $2 million/year was spent on “green” paper that year

- Many weaknesses to this approach
5. Model Responsible Purchasing Report

• Designed to help any institution

• 3 Components:
  – Guidance Document
  – Model Language
  – Sample Excerpts from existing Responsible Purchasing Reports
Sections

• Executive Summary
• Responsible Purchasing Policies
• Purchase Summary
• Purchase Details
• End-of-Life Management
• Recognition
• Challenges and Opportunities
• Acknowledgements and Add’l Resources
Thank You!

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RPN Manager

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EPP Annual Report

Eric Nelson
Environmental Purchasing Program
King County, Washington

Responsible Purchasing Network Webinar
March 11, 2010
2008 Annual Report

- EPP Overview
  - Policy
  - Program
  - Implementation
  - Challenges
  - Opportunities
Purchases and Savings

Summary
- $54 million
- $837,000 savings
- 30 commodities
- 50 contracts

Methodology
- Total dollars
- “Calculators”

Products
- Office
  - Toner Cartridges
  - Paper
- Operations & Maint
  - Cleaners
  - Carpet
- Vehicular
  - Lubricants
  - Hybrid Vehicles
Green Cleaners

- Worker health & safety
- Cleaning protocols
- Chemical reduction
- Cost savings
- Green Seal certified
- Microfiber cloths & mops
- Great performance
Supporting Program Elements

- Agency Liaison Network
- Website
- EP Bulletin
- Internet Discussion Groups
- Public Involvement
- Publicity
- Model Policy
- Allied Programs

www.ResponsiblePurchasing.org
Environmental Initiatives

- Hybrid Bus Grant
  - $2.2 million from FTA
- Shoreline Transfer Station
  - Earned LEED Platinum
Contact

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Environmental Purchasing Program Manager

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www.kingcounty.gov/procurement/green
Join RPN
Because Every Purchase Matters.

Membership Benefits:
- Model policies and specifications
- Green purchasing webinars
- Certified green products database
- Expert sustainability speakers
- Responsible Purchasing Awards

Consulting Services:
- Custom green specifications
- Green purchasing policies
- Life Cycle Analyses
- Green office audits
- Cost-saving green practices

www.ResponsiblePurchasing.org
“RPN provided us with the data analysis demonstrating the long-term, positive environmental effects made by shifting to more responsibly made products.”

Perry Plumart, Deputy Director, Green the Capitol Office, U.S. House of Representatives. Office of Greening the Capitol

RPN’s series of Responsible Purchasing Guides includes best practices, policies, specs, standards, case studies, calculators, group contracts, and green product lists for:

- Carbon offsets
- Cleaners
- Computers
- Drinking water
- Faith organizations
- Fleet vehicles
- Fluorescent lighting
- Food services
- Graffiti remover
- LED lighting
- Office electronics
- Office paper
- Paint
- Renewable energy
- Tires & wheel weights
- Toner cartridges

... and more coming soon

For membership inquiries & consulting rates, please contact:

The Responsible Purchasing Network
www.ResponsiblePurchasing.org
rpn@newdream.org

Center for a New American Dream
6930 Carroll Avenue, Suite 900
Takoma Park, MD 20912
301-891-3683

www.ResponsiblePurchasing.org
Membership and Consulting Available

www.ResponsiblePurchasing.org
1-877-68-DREAM
rpn@newdream.org
What Counts Depends on Your Objectives

Required of Federal Agencies – Designated Single Attribute Products & Contracts

- Biobased/Recycled content
- ENERGY STAR/FEMP qualified
- EPEAT registered
- Non-toxic
- Ozone depleting alternatives
- WaterSense labeled
- Contracts
What Counts Depends on Your Objectives

Optimal – Complete Life Cycle Products
*As a Minimum – Revolving Door Life Cycle Products

- Socially responsible manufacturer?
- Raw materials (renewable resource?)
- Manufacturing process (energy/water efficient?)
- Carbon footprint
- *Packaging (returnable?)
- *Distribution/transportation (locally produced?)
- *Operation (energy/water efficient?)
- *Maintenance (healthy for staff?)
- *Special handling (toxic?)
- *Disposable (reusable or at least recyclable?)

EcoPurchasing Consultants
Tracking is Tough
Systems to Gather Statistics

- Build capability into purchasing software/system
- Build requirement into contracts/purchasing agreements
Build Capability into Purchasing Software/System

- Supplies quantity and dollar volume of designated products
- Supplies reasons for not purchasing: cost, availability, performance
- Identifies purchasing problems
- Does NOT verify validity of input – garbage in/garbage out principle applies
Using Commercial Software to Track Environmentally Preferred Purchasing

Example: DOE’s Pacific Northwest National Lab

- PCard Pro/Now P-Card Web Solutions software
- Integrates with Oracle, PeopleSoft, SAP, & other
- Includes single attribute product reporting
- Requires programmer to revise software for each newly designated product/component
- Each P-card purchaser inputs info for their purchases (products not services) monthly
- PNNL bears the cost of the system
Using Commercial Software to Track Environmentally Preferred Purchasing

Example: DOE’s Strategic Petroleum Reserve

- SAP - commercial software
- Functions as a database
- Data collection from Purchase Requests/Orders
- Data collection from credit card purchases
- SAP supplemented by Excel spreadsheet
- SAP is more easily customized than other software – such as tracking future products that become designated
## Edit Credit Card Purchases

### Details:
- **Transaction Number:** 1116
- **Order Date:** 09/21/2005
- **Vendor Name:** WAL-MART
- **Description of Item:** PLASTIC GARBAGE CANS
- **Total Purchase Price:** 24.12
- **Credit Card Holder:** S064MV
- **Received Date:** 09/21/2005
- **Site:** BC
- **Total Quantity:** 1
- **Comments:** NEEDED FOR TEMPORARY TRAILERS
- **Credit Memo:**

### Table:

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost Cntr</th>
<th>WBS</th>
<th>GLACT</th>
<th>Matl. No.</th>
<th>PR</th>
<th>PR Line</th>
<th>Qty</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>PLASTIC GARBAGE CANS</td>
<td>04098883-05-05</td>
<td>50440</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1</td>
<td>24.12</td>
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</table>

### Additional Information:

- **Ref Number:**
- **Propose Ref Number:**
## Input Affirmative Procurement Information

Enter Affirmative Procurement Information for this Item

<table>
<thead>
<tr>
<th>Line Item Description</th>
<th>PLASTIC GARBAGE CANS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Affirmative Procurement</td>
<td></td>
</tr>
<tr>
<td>Item meets the AP requirements of</td>
<td></td>
</tr>
<tr>
<td>recycled content</td>
<td></td>
</tr>
<tr>
<td>Item Purchased</td>
<td></td>
</tr>
<tr>
<td>Item with Recoverd Content &quot;Not Procured&quot; Because:</td>
<td></td>
</tr>
<tr>
<td>Category Code</td>
<td></td>
</tr>
<tr>
<td>Comments/Justification</td>
<td></td>
</tr>
</tbody>
</table>
Build Requirement into Contracts/ Purchasing Agreements

• Supplies valid statistics
• Does NOT supply statistics for all purchases—those without contracts or purchasing agreements
• Does NOT always identify purchasing problems
Using Contracts to Track Environmentally Preferable Purchasing

- Specify designated materials
- Specify reporting requirement
- Define reporting requirement
  - Data to be reported
  - Reporting schedule
City of San Diego
Environmental Services Department

Donna Chralowicz
EPP Program Coordinator
Background

• 2005 – EP³ began as pilot project in Environmental Services Department (ESD)
  – Track department purchases and prepare internal report

• April 2007 – EP³ Administrative Regulation 35.80
  – Oversight by Purchasing and ESD
  – Department responsibilities
  – Annual Report to Mayor’s office
EP³ Criteria

• Established twelve environmentally preferable categories to aid decision-making

1) Alternative Energy Source
2) Bio-based
3) Biodegradable
4) Compostable
5) High Recycled Content
6) Low Toxicity
7) Low Volatile Organic Compounds (VOC)
8) Pollution Reduction
9) Recyclable
10) Repairable
11) Resource Efficient
12) Reusable
Implementation Strategies

• Identify key commodities/goals
• Include in bid & contract language
  – Minimum standards
  – Reporting
• Department by department
• Pilot projects
• Seizing an opportunity as it arises
• Bottom line
Tracking & Reporting Strategies

• Department liaisons

• First year – surveys to each department
  – Types of purchases
  – Dollars spent
  – Green purchases

• Didn’t produce a lot of data on green purchases, but was a good starting point
Tracking & Reporting Strategies

• Reports from vendors
  – Good for citywide/multi-department purchases
  – Annual, semi-annual, quarterly
  – Get comprehensive data
  – Build relationship with vendor and explain EPP goals, products, training, etc.
  – Sometimes difficult to get info because you’re not the contract administrator/purchaser
Tracking & Reporting Strategies

• Reports from departments/employees
  – Good for department-specific purchases or specialty items
  – Can be difficult to get information
  – May miss some data

• Spreadsheets
  – Contacts for products or functional units
  – Trainings & outreach
  – Report data, dollars spent, savings

• Document conversations/data
  – Emails
  – Notes/memos
Annual Report

• Introduction

• Environmentally Preferable Purchasing Program
  – AR 35.80
  – Program Goals
  – Program Implementation
  – Future Challenges & Opportunities

• Citywide Purchases
  – Summary Table
  – Purchase Detail

• Conclusion
<table>
<thead>
<tr>
<th>Citywide FY08 EP3 Purchases (1)</th>
<th>FY08 Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Paper &amp; Office Products</strong></td>
<td></td>
</tr>
<tr>
<td>Recycled copy/printing paper(2)</td>
<td>$ 672,906</td>
</tr>
<tr>
<td>Office products(3)</td>
<td>$ 534,198</td>
</tr>
<tr>
<td>Konica Minolta copiers/printers(4)</td>
<td>$ 2,379,286</td>
</tr>
<tr>
<td>Computers, monitors, printers</td>
<td>$ 1,986,711</td>
</tr>
<tr>
<td>Computer equipment recycling</td>
<td>$ 25,900</td>
</tr>
<tr>
<td>Technotrash recycling</td>
<td>$ 1,529</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>$ 5,600,530</td>
</tr>
<tr>
<td><strong>Vehicles &amp; Maintenance</strong></td>
<td></td>
</tr>
<tr>
<td>Hybrid vehicles</td>
<td>$ 477,716</td>
</tr>
<tr>
<td>Coolant (1,500 gallons)</td>
<td>$ 4,380</td>
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<tr>
<td>Re-refined oil (3,363 quarts)</td>
<td>$ 7,473</td>
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<tr>
<td>Liquefied natural gas fuel (46,940 gallons)</td>
<td>$ 49,835</td>
</tr>
<tr>
<td>Retreaded tires</td>
<td>$ 518,052</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>$ 1,057,456</td>
</tr>
<tr>
<td><strong>Building and Construction Materials</strong></td>
<td></td>
</tr>
<tr>
<td>Slurry seal(5)</td>
<td>$ 6,800,000</td>
</tr>
<tr>
<td>Overlay(5)</td>
<td>$ 14,200,000</td>
</tr>
<tr>
<td>Asphalt</td>
<td>$ 1,284,850</td>
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<tr>
<td>Aggregate road base (100% recycled)</td>
<td>$ 140,000</td>
</tr>
<tr>
<td>Asphalt crack sealer(5)</td>
<td>$ 858,000</td>
</tr>
<tr>
<td>Traffic cones</td>
<td>$ 24,780</td>
</tr>
<tr>
<td>LEED Silver certified building – Fire Station 47(5)</td>
<td>$ 5,306,190</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>$ 28,613,820</td>
</tr>
</tbody>
</table>

**Energy Efficiency and Alternative Power**

- The majority comes from self-generated power at cogeneration facilities using methane from sewage treatment and landfill disposal. Excess power is sold to San Diego Gas and Electric (SDGE). Some of the power is produced through an agreement with a private third party that produces and sells the power to the City at a negotiated below market rate.
- A little over 1 MW comes from hydroelectric power generated by the flow of treated wastewater to the ocean outfall.
Contact

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