



West Coast Climate & Materials Management Forum



PROFESSIONAL SERVICES



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The Climate Impacts of Professional Services Purchasing

A Module of the Climate Friendly Purchasing Toolkit

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Table of Contents

- Why Professional Services Matter 4
- Types of Professional Services Commonly Procured 5
 - Findings from the Forum’s Trends Analysis Report 6
 - Organizational Assessment 7
- Where Greenhouse Gas Emissions Happen in Professional Services 7
 - 1. Emissions from business operations (e.g. facility and fleet operations) 8
 - 2. Emissions from business travel 9
 - 3. Emissions from use of paper, packaging and shipping of service deliverables 9
 - 4. Emissions from the provision of food 10
- Contracting Strategies to Address the Climate Impacts of Professional Services Purchasing 11
- Strategy 1: Reduce Demand for Services 12
 - Internalize work 12
 - Collaborate or consolidate services 12
- Strategy 2: Reduce Demand for Business Travel 12
 - Purchasers role in reducing demand 13
 - Reduce demand and carbon intensity of business travel in contracts 13
- Strategy 3: Reduce Demand or Carbon Intensity of Contract Deliverables (Paper, Packaging and Shipping) or Food 14
 - Purchasers role in reducing demand 14
 - Reduce demand and carbon intensity of deliverables and food in contracts 15
 - Include specifications to reduce life-time GHG emissions of deliverables 16
- Strategy 4: Require or Promote Use of Certifications of Sustainable Business Operations 16
- Strategy 5: Require Sustainability Plans as Part of Contract Agreement 19
- Strategy 6: Require Vendors to Complete Sustainability Questionnaires 19
 - Incorporate sustainability questionnaire into bid evaluation scoring 20
 - Require use of standard assessment tools and centralized data repositories 21
 - Use questionnaires as a benchmark for continuous improvement goals and metrics 21
 - Use questionnaires to inform future engagement efforts or contracting strategies 22

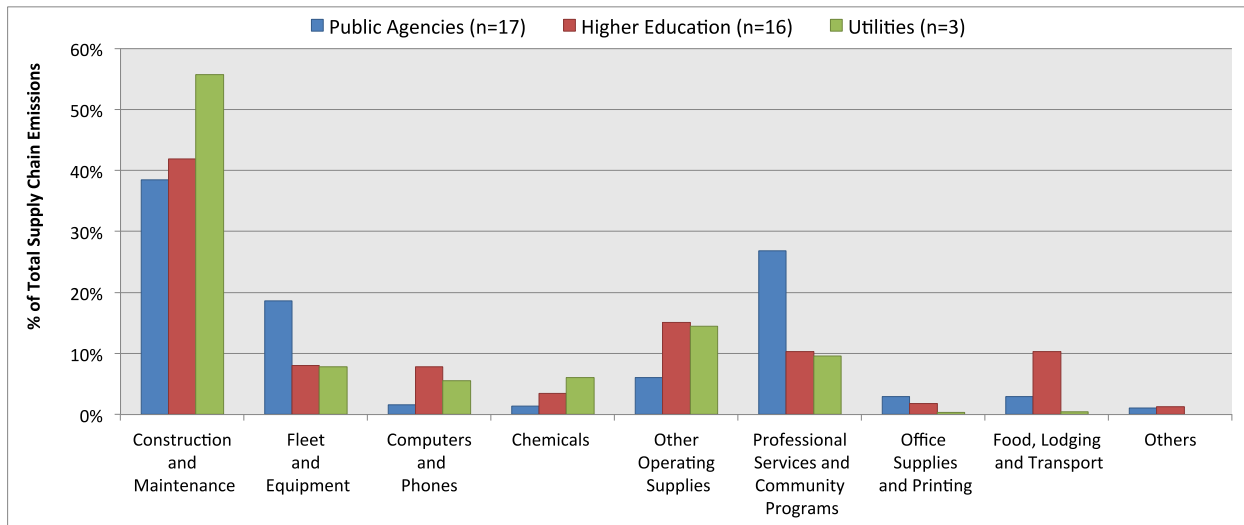
Why Professional Services Matter

When considering the types of purchases that have the biggest carbon footprint for an organization, professional services may not come to mind as a top priority. After all, much of the value they deliver is intangible – knowledge.

However, [analysis](#) of over 80 supply chain greenhouse gas (GHG) emissions inventories from government and higher education institutions indicate that professional services consistently ranks in the top two or three high impact purchasing categories¹. As illustrated in Figure 1, emissions from this category of purchases makes up, on average, 27% of total emissions for government agencies, and 10% of emissions other types of institutions included in the study. And for the two county agencies included in this study, the contribution of emissions attributable to this purchasing category can rise to over 50% of their inventory², due to the community programs provided by these agencies as the social safety net provider (indigent health care, clinics, and other social services).

Figure 1: Percentage of supply chain emissions, by organizational type, and purchasing category.³

Note: Each column color sums to 100%



What makes professional services a significant “hot-spot” for climate friendly purchasing? These services are not particularly emissions intensive (high GHG emissions per dollar spent on services). Rather, these types of organizations spend a significant portion of their budget on these services.

The source of the GHG emission generated by professional service vendors are very similar to those that may already be tracked and managed by the purchasing organization. Emissions are generated from the electricity used by the vendor when they turn on the lights in their facility to work on a report for a contract, or when they drive to a business meeting with a client. When an organization hires a professional service vendor, that vendor becomes a part of the organization’s supply chain. Likewise, the

¹ Good Company on behalf of StopWaste (2015). *Supply Chain Greenhouse Gas Inventory Meta-Analysis*

² Two counties were included in this study, Washington County, Oregon and Alameda County, California. The percentage of total supply chain emissions attributable to professional services & community programs were 78% (Washington County: 2009 and 2011 inventories average) and 56% (Alameda County 2010 inventory) respectively.

³ Good Company on behalf of StopWaste (2015). *Supply Chain Greenhouse Gas Inventory Meta-Analysis*

GHG emissions associated with that vendor delivering their services also becomes part of the organization's supply chain emissions. The emissions occurring from vendors' operations, as well as those that occur within their supply chain, become shared emissions between the vendor and the organizations that hire them.

Government agencies can help shift their professional service vendors to more sustainable operating practices through a number of contracting and engagement strategies. These strategies should focus on alignment with your organization's priority climate actions. After all, you might consider these vendors as an outsourced extension of your operations, and thus, contributors to your organization's overall carbon footprint.

Box 1: Defining professional services

Professional services are the focus of this Climate Friendly Purchasing Toolkit module. However, many of the strategies included in this guidance are applicable to other types of service providers contracted by Institutional purchasers. Here we describe a few types of service providers for whom this guidance may apply.

- **Professional services** are defined by the [Sustainable Purchasing Leadership Council](#) as industries characterized by low capital intensity, high knowledge intensity and a professionalized workforce. Examples include legal, employment, architectural, engineering, public relations, financial and management consulting services.
- **Community services programs**, such as social and health safety net services funded by public agencies. These are services provided to the community by private, often non-profit, entities under contract by the local government. Examples include public health services, community food, housing, and social services. As the primary social safety net provider, county-level government agencies typically spend a significant amount of their budgets on community services programs.
- **Operational or product service providers.** Examples include landscape, janitorial, computer programming, office supplies delivery, and waste management and remediation services. In these cases, government agencies should evaluate where the biggest climate impact occurs -- in the goods delivered or in the vendor's operations -- and prioritize their efforts to maximize total GHG reductions in the life cycle of that service. Visit other sections of this Toolkit to learn more about addressing the environmental footprint of high-impact products that vendors may provide as part of service contracts.

Types of Professional Services Commonly Procured

Government agencies and higher education institutions procure a wide range of professional services. Demand for these services can come from all parts of the organization. Understanding your organization's unique portfolio of services is necessary to prioritize your efforts to achieve maximum GHG reductions. While it is optimal for each organization to conduct their own analysis, those without

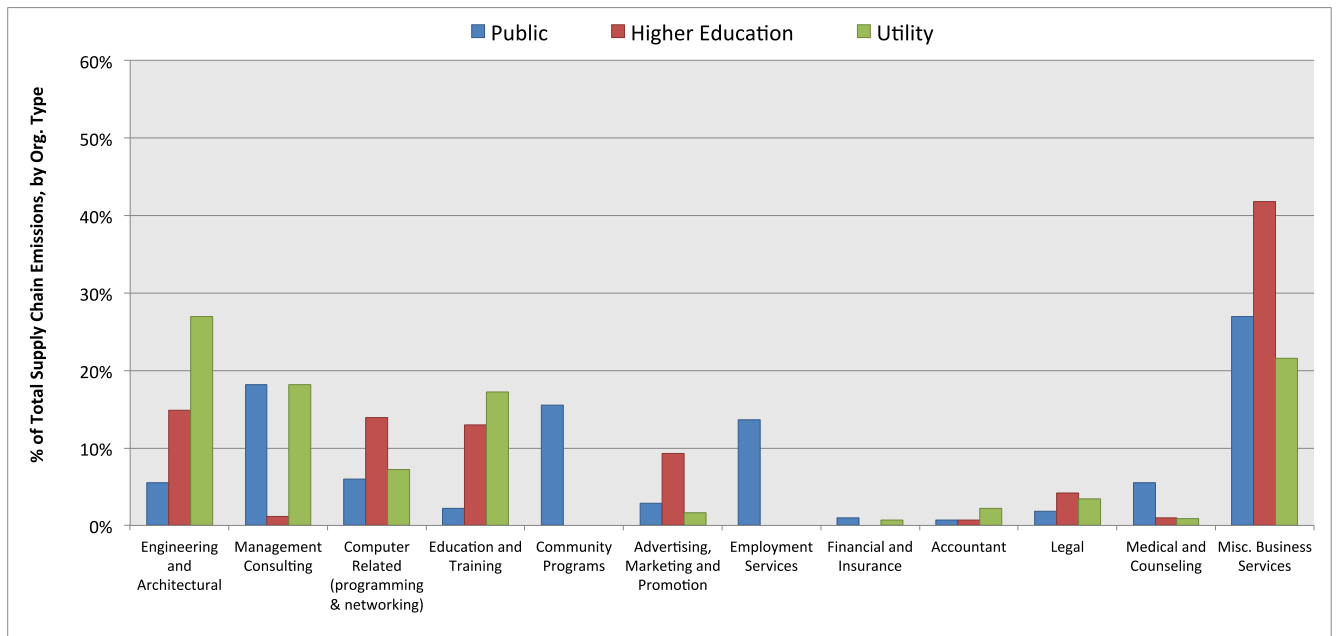
the time and resources to do so will benefit from trends identified in the Forum’s [Trends-Analysis Report](#).

Findings from the Forum’s Trends Analysis Report

The Forum’s Trend Analysis report identifies the professional service types that are commonly procured by government and higher education institutions. Figure 2, below, represents the percentage of supply chain emissions by organizational type and service category included in the [study](#).

Figure 2: Percentage of supply chain emissions by organizational type and service category.⁴

Note: Each column color sums to 100%



For government agencies, represented by the blue bar in Figure 2, service types contributing the highest emissions in the Professional Services category are dominated by management consulting, community programs and employment services. However, it is important to note that community programs are primarily contracted for by county or regional government agencies that provide social safety net services, and these types of services can contribute over 50% of their total supply chain GHG emissions for those organizations. Cities that do not provide community programs may wish to also explore opportunities to reduce emissions from engineering and architectural services, computer-related services.

For higher education institutions, services are dominated by engineering and architectural services, computer-related services, and educational and training services (procured by the institution).

Review the full Trends Analysis [report](#) to learn more about the types of professional services that typically contribute to supply chain GHG emissions inventories of government and higher education institutions.

⁴ Good Company on behalf of StopWaste (2015). *Supply Chain Greenhouse Gas Inventory Meta-Analysis*

Organizational Assessment

While the Forum's Trends Analysis report findings can help point organizations towards priority areas of focus, each organization should spend time reviewing and analyzing their own portfolio of professional and community services. This helps to form the basis of a strategic action plan that focuses on the largest impact areas within this purchasing category. To learn more about conducting your own supply chain GHG inventory, check out the Forum's How-To Guide [here](#).

For those organizations who do not have the time, resources or organizational support to conduct your own supply chain GHG emissions inventory, we recommend that you at least review the total dollars spent within professional services. This review will identify priority areas on which to focus your limited time and resources.

Key questions to consider will include:

- What types of services are being procured?
- Which departments are procuring those services?
- Which vendors are receiving these dollars?
- Can the 80/20 rule be applied (80% of the impact caused by 20% of the dollars/vendors/departments/etc.) for high impact/high spend areas discovered?)?
- What contracting opportunities available that align with your organizational priorities, as well as have political or management support?

You will also want to consider the GHG emissions intensity of the different types of professional services that are rising to the top of your analysis. Emissions intensity is the amount of GHG emissions that are produced per dollar spent. Thus, the importance of a service type with a high emissions intensity may be elevated when setting your organization's climate friendly purchasing priorities. Appendix A provides a list of GHG emissions intensities for several common professional services types.

Box 2: Understanding the sources of emissions

The Oregon Department of Environmental Quality (DEQ) conducted their first supply chain inventory analyzing their Fiscal Year 2013 procurement spend. They identified professional services as contributing 68% of their total supply chain GHG emissions. Further analysis showed that the majority of emissions (59%) in the Professional Services category were driven by one vendor, National Center for Electronics Recycling Inc., which provides transportation of heavy electronic devices around the state and to the entire west coast for recycling. Strategies employed by Oregon DEQ to reduce emissions by this vendor will focus on a reduction of vehicle miles traveled and low-carbon alternatives to diesel fuel use for transportation services.

Where Greenhouse Gas Emissions Happen in Professional Services

Leading-edge institutional purchasers are beginning to address the GHG emissions sources in their supply chain. In order to do so, they must first understand where these emissions come from. Many organizations are using Carnegie Mellon University's free, publicly-available [EIOLCA.net](#) model, which

provides insight into where the largest sources of emissions occur within the supply chain of any given professional service type.

The most common sources of supply chain emissions for professional services can be grouped into four major categories of emissions. The four major categories include emissions from: vendor business operations (e.g. facility and fleet operations), vendor business travel, service deliverables, and the provision of food. Figures 3, 4 and 5 identifies these emissions sources for three common professional service types for public agencies. Details on how to conduct this type of analysis for specific product or services can be found in the Forum’s Climate Friendly Purchasing Toolkit [Trends Analysis Report](#) (pages 12-15).

1. Emissions from business operations (e.g. facility and fleet operations)

Description

Electricity consumption by the professional service vendor is the largest source of GHG emissions across all professional service types⁵. Direct emissions primarily from fuel combustion in the vendor’s fleet and natural gas in its buildings⁶ also contribute a substantial portion of total supply chain emissions.

Facility and fleet operational emissions sources are directly related to how the vendor conducts its business. These operational decisions are typically outside of the scope of the contract an institutional purchaser has with its professional services vendor. Nonetheless, because they represent the largest source of emissions in your professional services supply chain, they represent the largest opportunity for reducing your GHG emissions footprint in the professional services sector.

Recommendations

Organizations can use contracting strategies to encourage more sustainable facility and fleet operations by their vendors. Some examples include:

Figure 3: Community food, housing and relief services – breakdown of sector emissions.

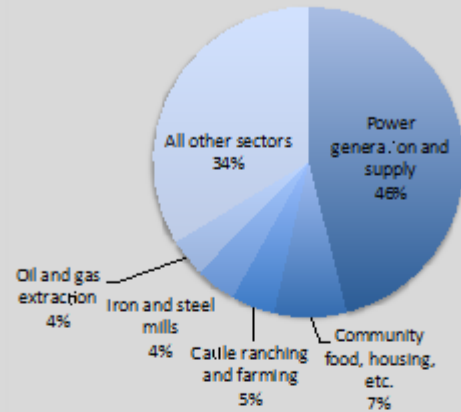


Figure 4: Architecture and engineering services

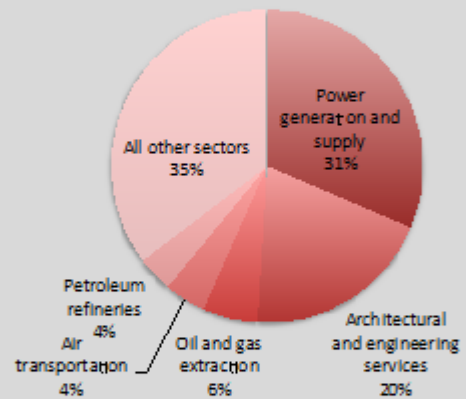
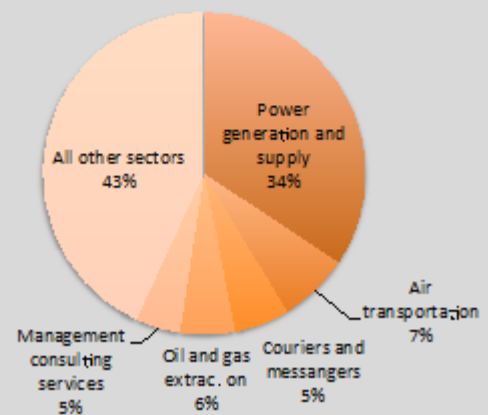


Figure 5: Management consulting services.



⁵ Within the EIO/LCA.net model results, electricity consumption is identified as Power Generation and Supply

⁶ Within the EIO/LCA.net model results, direct emissions are identified as the economic sector name

- Require or encourage vendors to use certifications that verify sustainable business operations.
- Require vendors to disclose actions taken to reduce energy and fuel consumption and conserve water and other resources.

These and other opportunities are explored in more detail in the strategies section of this toolkit.

2. Emissions from business travel

Description

If your organization contracts with professional service vendors who are located outside of the local area, there may be substantial GHG emission related to transportation, food and lodging associated with business travel. Air transportation, in particular, can be a large contributor to overall emissions. Of course, this will vary from contract to contract based on the distance that is travel and the emission intensity of the type of transportation used by the vendor (airplane, public transit or car).

Recommendation

Institutional purchasers can reduce demand for business travel by their vendors in the following ways:

- Investing in technology and training to enable video and teleconference.
- Ensuring their contracts do not require unnecessary travel by vendors.
- When travel is required, purchasers can use contracting strategies to encourage vendors to adopt corporate policies to minimize travel related emissions, and to reduce their business travel-related impacts by choosing hotels committed to operating sustainably, and making low-carbon food and restaurant choices.

These and other opportunities are explored in more detail in the strategies section of this toolkit.

3. Emissions from use of paper, packaging and shipping of service deliverables

Description

For many knowledge-based professional services, the only tangible deliverable is the physical report, project plan, audit, or other document-based outcome of the contract. The paper used in the course of developing the final contract deliverable, as well as any packaging and air or ground transportation used to ship that deliverable to you, make up this third category of emissions. This category can be a significant source of supply chain emissions for certain types of professional services.

Some service providers may include goods within their service delivery, such as an office supply delivery service vendor or janitorial services vendor. For these service types, organizations should include environmental specifications for those goods, such as specifying recycled content (e.g. recycled content papers) or specific eco-labels (e.g. Green Seal, UL-Environment, etc.).

Recommendation

Institutional purchasers can take actions within their own organization to reduce the need for paper deliverables and shipping in the following ways:

- Using electronic signature software in place of requiring wet signatures.
- Using cloud-based file sharing software in place of shipping documents.

- If paper deliverables are required, use contracting strategies that require vendors to minimize paper use, and require that any paper used contain recycled content.
- Including specifications for low-carbon and environmentally preferable goods where the service provided includes the provision of goods (e.g., office supplies or janitorial services).

We explore these and other solutions in the strategies section of the toolkit.

4. Emissions from the provision of food

Description

Certain types of professional service contracts will include the provision of food as part of their services. Examples where this might be relevant include a community service program providing food relief to the neediest members of your community, or for marketing firms that serve food during focus groups they host as part of their contracted research. As discussed in the food module of the Climate Friendly Purchasing [Toolkit](#), attention to details such as ordering proper amounts of food and low-waste food service, as well as a focus on low-carbon foods can impact to total GHG emissions generated as part of your organizations supply chain.

Recommendation

Government agencies can use contracting strategies to encourage vendors to reduce the carbon intensity of food served in the following ways:

- Purchasing lower carbon foods.
- Considering opportunities to prevent the generation of food waste through thoughtful purchasing, preparation and food service models.
- Asking/requiring vendors to minimize packaging waste (while also considering where packaging may keep food edible longer).
- Composting the food waste that is produced.

We explore these and other solutions in the strategies section of the toolkit.

Box 3: Consider lifecycle climate impacts of service deliverables

Many professional service vendors provide service deliverables that will inform the long-term GHG emissions of the organization. It is important for purchasers to include specifications to minimize these lifecycle emissions in the contract with the professional service vendor.

For instance, the building design provided by an architectural and engineering firm will determine the energy efficiency of a new building over its lifetime and thus should be designed to minimize those emissions. Other types of projects that may influence lifecycle emissions include construction management services, IT infrastructure and design, real estate services, among others. See Appendix B for a list of services types with potentially significant lifecycle climate. Contracting Strategies to Address the Climate Impacts of Professional Services Purchasing

Contracting Strategies to Address the Climate Impacts of Professional Services Purchasing

Professional and community services contribute significantly to the climate impact of government agency and higher education institutions' supply chain. Despite this large climate impact, there is a dearth of proven tools and resources for reducing these emissions. And there are few examples to-date of government organizations taking actions to address these impacts through their procurements.

Despite these challenges, there are signs that change is on the horizon:

- **Awareness of the impacts of professional services is growing.** The [Sustainable Purchasing Leadership Council](#) includes professional services within their Guidance for Leadership in Sustainable Purchasing.
- **Standards are being developed.** Stakeholders are coming together in various settings to develop national environmental standards to help inform and engage professional service providers in reducing impacts of their business operations and service deliverables.
- **Actions are being taken.** Leading edge government agencies and higher education institutions are implementing a range of strategies to influence the marketplace.

Purchasers have an important role to play in driving change in this marketplace by taking actions to encourage professional service vendors to reduce their climate impacts. Purchasers can implement a variety of contracting strategies to reduce the sources of greenhouse gas emissions that are generated as a result of doing business with their vendors.

This section of the toolkit will focus on strategies that government agencies and higher education institutions can take to reduce greenhouse gas emissions that result from their procurement of professional services. Each of these strategies will require differing amounts of staff effort, and will have differing emissions reduction results. We encourage organizations to identify the high-impact opportunities in their unique portfolio of services and prioritize efforts where they will matter. For more on prioritization, see previous section titled 'Types of Professional Services Commonly Procured'.

Box 4: Building support for action

Strategies for reducing the climate impact of professional services begin with cultivating organizational support for these efforts. Several leading government institutions have adopted comprehensive policies that enable, and, in some cases, define purchasing action to reduce GHG emissions in professional service procurements. Some examples include:

- Multnomah County, Oregon [Sustainable Purchasing Policy](#)
- City of Portland, Oregon [Sustainable Procurement Policies](#)
- City of Vancouver, BC, Canada [Corporate Ethical Purchasing Procurement Policy](#)

In addition to policy support, Environmental Departments in these and other leading agencies provide proactive training to internal purchasing staff and to their vendors, and maintain ongoing relationships to facilitate implementation. These strategies can also institutionalize practices within the organization, thus expanding the reach of these efforts across a broader range of professional service contracts.

Strategy 1: Reduce Demand for Services

Reducing demand is the most effective way to reduce impacts associated with procurement. For professional services, this can be achieved by reducing overall demand for procurement of services, or by reducing demand for certain aspects of the service or deliverable provided by vendor (e.g., reducing business travel or paper deliverables). This section will address overall demand for services.

Internalize work

Organizations can consider opportunities to identify internal resources to complete work. For instance, an agency might tap its technology department to develop a software application rather than hiring a technology services firm. In this way, the operational emissions associated with development of these services remain with the purchasing organization, and benefit from the organizations operational GHG emissions reduction efforts.

Collaborate or consolidate services

Organizations can consider opportunities to collaborate when they have similar needs, to complete similar work together, or leverage existing work. For instance, by working together to develop this toolkit, participating agencies leveraged an EPA Region 9 funded contract for management consulting to advance research across multiple purchasing topics. This collaborative example enabled significant progress in research at a lower overall cost than entering into multiple separate contracts. Another example of collaboration is when multiple government agencies combine resources in order to accomplish commonly needed tasks, such as a regional planning effort.

In addition, many government agencies share case studies on environmentally preferable purchasing to enable others to learn from and adopt similar strategies. See Appendix C for more information.

Box 5: Solution Strategies – A tool for generating sustainable purchasing ideas

The [Sustainable Purchasing Leadership Council](#) has developed a [resource](#) to help organizations identify solution strategies for sustainable purchasing. This resource is meant to explore ideas during project development phase in order to identify all possible actions that can reduce impacts in a particular purchasing category. Strategies such as efficiency, in-sourcing, and combining actions are applicable to reducing demand for professional services. This resource may aid discussion among internal and external stakeholders as you explore opportunities in your organization. A copy of this resource is included as Appendix D.

Strategy 2: Reduce Demand for Business Travel

Purchasers can directly influence a portion of their total GHG emissions sources related to business travel and lodging by their professional service vendors. This may be an important source of emissions for contracts where vendors are located a significant distance away, especially if air travel is required. While the proportion of total supply chain GHG emissions generated from these types of activities are

typically smaller than those generated from a vendor's facility and fleet operations, purchasers have more ability to directly influence these emissions sources through their contracting strategies.

Purchasers role in reducing demand

Institutional purchasers have an important role to play in enabling their vendors to reduce GHG emissions resulting from business travel. They must invest in technologies and infrastructure that allow for their vendors to transition away from traditional ways of doing business that can be emissions-intensive.

The purchasing organization can invest in high quality video and teleconferencing equipment and software to enable professional service vendors to reduce their business travel. This is particularly important for organizations that have identified air travel as a significant source of emissions in their professional services supply chain GHG emissions profile. There are many web-based technologies that can be used to host virtual meetings, including Microsoft Skype for Business, WebEx, Adobe Connect, GoToMeeting, to name a few. The Global Business Travel Association produced a [Guide to Technology Solutions](#) that summarizes key strategies in transitioning to virtual meetings. Conducting online meetings is inherently different than in-person meetings, and organizations should also invest in training employees on how to host effective virtual meetings.

These initiatives can have amplified impacts by supporting capacity-building of services vendors, especially small firms and community based organizations. Once these firms have adopted the technologies to service government contracts, they can use them with their other clients.

Reduce demand and carbon intensity of business travel in contracts

Once the capability for virtual web-based meetings are in place, government contracts for professional services can begin to require or encourage vendors to use these technologies in the course of their contract delivery. When travel is required by the vendor, encourage the lowest carbon emitting travel mode, such as public transit for local or regional travel, or non-stop flights for long-distance travel⁷. Vendors can be required to have in place corporate travel policies that address strategies to minimize travel related to internal business operations (e.g. training or staff meetings) and delivery of client work. This [report](#) published in 2013 by the Cambridge Programme for Sustainability Leadership provides best practices in reducing business travel in the professional services sector.

Examples of contracting strategies purchasers can use include:

- Require prospective vendors to have technological capabilities to conduct web-based virtual meetings.
- Ask prospective vendors to disclose their corporate travel policies or programs, or create one if they do not have one.
- Include tracking and reporting of business miles travelled and transportation mode (e.g. car, train, airplane) in contractual reporting requirements as part of "monthly status reports" or similar.

⁷ Planes use the most fuel, and produce the most harmful emissions, during takeoff. On short flights, as much as 25 percent of the total fuel consumed is used at this time. <http://www.worldwatch.org/planes-utilize-most-fuel-during-takeoff>

- Require vendors to report on use of business travel lodging that is certified as green by Green Seal ([GS-33](#)), or other local or state hospitality standards (see [EPA Green Hotels](#) listing, or [AAA Eco-Certifications](#) document for more information).

Box 6: An emerging idea - Mitigating emissions through RECs or Carbon Offsets

Using contracting strategies to encourage or require Renewable Energy Credits (RECs) or carbon offsets to mitigate travel emissions (and possibly other contract related emissions sources) is an emerging idea on how to address the climate impacts of professional service contracting. This can be as simple as asking vendors to report on these activities or requiring that RECs or carbon offsets be used based on a percentage of emissions. The use of these can be scaled over time or based on contract size. Requiring the purchase of RECs or carbon offsets should be considered only after maximum efficiencies have been achieved in reducing travel related and other contract related emissions.

Strategy 3: Reduce Demand or Carbon Intensity of Contract Deliverables (Paper, Packaging and Shipping) or Food

The primary contract deliverable for many professional service contracts will be a document, plan, report, or other paper-based document. For certain service contract, such as contractors providing food services or hunger-relief services, the provision of food can also be a significant source of supply chain GHG emissions. Purchasers can directly influence the emissions related to these types of contract deliverables through contract strategies listed here.

These strategies will be applicable for other types of service providers that have a significant operational component, like office supply service vendors and janitorial service providers. However, specifications for the consumable products used to complete this types of service related work (e.g. recycled content paper products and green cleaning chemicals), are beyond the scope of this document.

While the proportion of total supply chain GHG emissions generated from these types of activities are typically smaller than those generated from a vendor's facility and fleet operations, purchasers have more ability to directly influence these emissions sources through their contracting strategies.

Purchasers role in reducing demand

Institutional purchasers have an important role to play in enabling their vendors to reduce GHG emissions resulting from paper-based contract deliverables. Governments must invest in technologies and infrastructure that allow for their vendors to transition away from traditional ways of doing business that can be emissions-intensive.

The purchasing organization can invest in online document management systems, cloud-based document storage solutions, electronic signature capabilities, or other electronic business strategies to reduce the need for paper deliverables. This is particularly important for contracts where paper deliverables, packaging and shipping are a significant source of emissions in their professional services supply chain GHG emissions profile.

These initiatives can have amplified impacts by supporting capacity-building of services vendors, especially small firms and community based organizations. Once these firms have adopted the technologies to service government contracts, they can use them with their other clients.

Reduce demand and carbon intensity of deliverables and food in contracts

Once capability for electronic document management are in place, purchasing contracts for professional services can begin to require or encourage vendors to use these technologies in the course of their contract delivery. When paper deliverables are required, they can specify low-carbon paper choices and delivery methods.

When a contract requires the provision of food, purchasers can encourage vendors to reduce the carbon intensity of food served by purchasing lower carbon foods and by considering opportunities to prevent the generation of food waste through thoughtful purchasing, preparation and food service models.

Examples of contracting strategies purchasers can use include:

- Require prospective vendors to have the technological capabilities to meet paper reduction goals.
- Require contract deliverables be transmitted electronically rather than in hard-copy.
- If paper deliverables are necessary, require they be printed on double-sided paper using recycled content paper. While using less paper is optimal, high recycled content paper generates less greenhouse gas emissions than virgin-fiber paper, and contributes to [lower supply chain GHG emissions](#).
- Require or encourage contractor to serve foods with lower embodied carbon, such as serving plant-based proteins (e.g. soy) or lower-carbon intensive animal proteins (e.g. chicken) in place of high-carbon intensive animal-based proteins (e.g. beef).
- Require vendors to track food and packaging waste and employ food-waste minimization techniques such as ordering proper amounts of food and selecting low-waste food service models.

Case Study 1: Requiring electronic or low-carbon deliverables

In a 2011 solicitation for Federal Representation, the City of Portland, OR, included language in their bid that clearly stated their priorities for how the contractor should provide their contract deliverables.

From City of Portland RFP OGR003 (Excerpt dated May, 11, 2011)

“Unless otherwise specified by the Office of Government Relations, all reports, billing statements, and work products shall be submitted electronically in a mutually-agreed upon format prior to submittal. Any hard-copy reports specifically requested by the Office of Government Relations shall be printed double-sided and in bindings or report covers that are fully recyclable, preferably using materials containing post-consumer waste (PCW) recycled content.”

Case Study 2: Contracting to reduce GHGs from travel

The Illinois [Transportation Sustainability Procurement Program Act](#) (2013) provides that:

State contracts for the procurement of freight, small package delivery, and other cargo shipping and transportation services shall require providers to report, using generally accepted reporting protocols adopted by the Agency for that purpose:

- (1) the amount of energy the service provider consumed to provide those services to the State and the amount of associated greenhouse gas emissions, including energy use and greenhouse gases emitted as a result of the provider's use of electricity in its facilities;
- (2) the energy use and greenhouse gas emissions by the service provider's subcontractors in the performance of those services.

The State of Illinois' [contract](#) for [Small Package Air and Ground Parcel Delivery Services](#), signed in 2014, requires that the carrier "must maintain its enrollment in the USEPA SmartWay® Program and continue in 'good standing', by submitting required data annually, for the duration of any awarded contract without backsliding." "Backsliding" refers to maintaining the carrier's annual SmartWay performance ranking (1 to 5).⁸

Include specifications to reduce life-time GHG emissions of deliverables

Certain types of knowledge-based professional services may deliver designs, plans, reports or infrastructure as part of their service deliverable that will influence the organizations GHG emissions long into the future. These long-term GHG emissions that are generated over the lifetime of the deliverable may dwarf those that generated by the service provider while under contract. Purchasers should include technical specifications into the service deliverable requirements that maximizes lifecycle GHG reductions of the projects that are being delivered.

One example of this would be a contract with an architectural firm to design a new building. Purchasers should include specifications in the professional services contract for the A/E firm that requires the building design to maximize energy and resource efficient design, and will achieve a LEED rating from the US Green Building Council. Appendix B provides a list of possible professional service contract types that may result in long-term GHG emissions for an organization.

Strategy 4: Require or Promote Use of Certifications of Sustainable Business Operations

The way professional and community service vendors conduct their business directly influences the amount of GHG emissions produced as a result of their business operations. Some portion of these emissions can be attributed to the supply chain of each purchaser who procures their services at any given time (as calculated in EIO/LCA models by dollars spent). However, because these operational and supply chain GHG emissions sources have very little to do with contract deliverables provided by the

⁸ State of Illinois Contract CPOGS15001, <http://www.illinois.gov/cpo/general/documents/ups%20contract%20final1.docx>. Accessed 8/16/2016

vendor, purchasers have traditionally had very few tools to try to influence the way vendors conduct their business operations.

One emerging contracting strategy to address this challenge is to require vendors to show they are taking steps to understand and minimize the climate impacts of their business operations. Eco-labels that verify comprehensive leading-edge operational sustainability are the most robust tool for assessing sustainable business operations, as it provides verification of their commitments. However, vendors can also use self-assessment tools that can help them identify areas for improvement, and put in place sustainability plans for improving their performance.

Figure 6 provides of list some eco-label, certification and self-assessment programs. They run the gamut from third-party operated systems to industry-developed systems. Some are applicable for a wide variety of professional services types, while others are for specific market sectors. Institutional purchasers seeking to use these systems should evaluate if the particular program meets their sustainability and GHG reduction goals, and that use of the system will not limit competition by limited number of vendors able to bid.

Figure 6: Certification Programs and Self-Assessment Tools for Professional Service Providers⁹

Certification	Description
B-Corp www.bcorporation.net	B Corps are certified by the nonprofit B Lab to meet rigorous standards of social and environmental performance, accountability, and transparency.
Green Business Program (where available): www.gbenn.org/	The Green Business Engagement National Network (GBENN) is a consortium of unique local, state-wide and national green business programs from across the United States. GBENN provides a listing of local programs which define sustainable business practices based on local priorities. Not available in all states or regions.
American Legal Industry Sustainability Standard (ALISS) www.lfsnetwork.org/	The American Legal Industry Sustainability Standard (ALISS) is an online self-assessment tool that measures law firm’s environmental sustainability. It allows law offices to take stock of their efforts to promote energy efficiency, conservation of energy and resources, recycling and related measures. It was developed by the Law Firm Sustainability Network (LFSN) member firms based on their review and assessment of sustainability best practices in the law office setting.
B Impact Assessment www.bimpactassessment.net	This free tool, developed by the non-profit B Lab, can be used to measure, benchmark and manage your businesses impact. B Labs vision is that one day all companies compete not only to be the best in the world, but the Best for the World® and as a result society will enjoy a more shared and durable prosperity.
Sustainable Green Printing Program www.sgpppartnership.org	SGP's certification program encourages printers to reduce their environmental impact and increase social awareness of their best practices in order to provide print buyers a more sustainable supply chain.

⁹ This list is not exhaustive and inclusion does not confer endorsement. Those wishing to use this list should evaluate the certification to assess appropriateness for their situation.

<p>Green Seal GS-42 www.greenseal.org</p>	<p>This standard is for cleaning service providers including in-house and external cleaning services including all indoor activities typically required to clean commercial, public and industrial buildings. GS-42 requirements include: standardized green cleaning procedures; the use of energy efficient cleaning equipment and certified products, staff training, and effective internal and external communications.</p>
<p><i>Note:</i> At the time of publication, a standard (NSF 391.1) is in development that, when complete, may also be considered for use as a certification.</p>	

There are several contracting strategies for using certifications in procurement detailed below. Consider your legal codes, contracting policies, and the availability of certified vendors in your marketplace, to determine the best strategy for your agency.

- The certification can be identified as a **minimum requirement** for vendors bidding on the contract. This strategy is not commonly used by government purchasers currently due to a lack of adequate competition in the marketplace. However, if there is increased use of the certification programs by vendors, this strategy may be viable in the future.
- Certified vendors can be offered a **bid preference** in bid evaluation. A bid preference can provide vendors who have invested in sustainable practices a leg up in the contracting process. Legislation may be required to allow for bid preference, which effectively lowers the bid price for bid evaluation purposes only. See Case Study 3 for an example of how San Francisco is using bid preference to promote use of B-Corp certified businesses.
- Purchasers can promote use of standards by **providing incentives** to vendors that do carry certification. Incentives should be laid out clearly within the bid and contract documents to ensure transparency and fairness for all vendors. See Case Study 4 for an example of how Alameda County, CA is using incentives to promote certifications with its print services vendors.

Case Study 3: Bid Preference for Certified B-Corp Vendors

In 2013, San Francisco adopted a price preference for vendors certified as a B-Corp, or Benefit Corporations. Known as the [B-Corp Legislation](#), it offers a 4% bid discount or rating bonus to bids or proposals submitted by eligible California Benefit Corporations for purposes of determining the apparent low bid or highest ranked proposal. To learn more about how San Francisco implemented this strategy, visit their [website](#).

Case Study 4: Incentivizing Green Business Certification

In 2015, Alameda County, CA went to bid for print services and awarded to multiple vendors. To encourage vendors to adopt sustainable business operations, the contract included an incentives for them to become certified by the Alameda County [Green Business program](#). Vendors who become certified are promoted as a greener choice to County Agencies using the contract. To learn more about how Alameda County implemented this strategy, visit their [website](#).

Strategy 5: Require Sustainability Plans as Part of Contract Agreement

Sustainability plans are a tool that purchasers can use to engage vendors in defining continuous improvement goals across multiple impact areas. To implement this tool, the purchaser clearly defines within the bid solicitation the process and timeline for developing a plan, and identifies the sustainability elements that shall be included. The plan is developed by the vendor, in coordination with the purchaser, as part of the contract deliverables. The vendor and purchaser work together early in the contract period to define reasonable goals, milestones and metrics for measuring progress. Annually, these goals are reassessed to ensure continuous improvement. In addition, the vendor and the contractor meet regularly over the life of the contract to assess progress towards goals, and to address any barriers that may developed along the way.

Sustainability plans developed in this way can be an effective tool for contracts where there is little transparency into the vendor's operational practices, or where the cost impact of sustainability requirements is unknown. However, purchasers must invest considerable staff time in order to ensure meaningful progress in vendor sustainability, so this tool is best used on a limited basis for contracts with significant opportunities for sustainability improvements.

Case Study 5: Alameda County's use of sustainability action plans

In 2015, Alameda County, CA included requirements for the development of a Sustainable Food Service Action Plan as part its largest food service contract at its County jail. The contract required the winning vendor to develop a plan to address a broad range of impact areas including vendor operations, transportation, and food sustainability, within 60 days of contract start. Once approved by the County, the vendor is required to track and report progress on specific metrics at quarterly contract meetings. Annually, the vendor in coordination with the County, will assess progress and set new targets as necessary. To see more information about how Alameda County structured this bid solicitation, visit their [website](#).

Strategy 6: Require Vendors to Complete Sustainability Questionnaires

One of the most common strategies to-date for government agencies and higher education institutions to influence their vendors' operational and supply chain practices is to request information from them on their sustainability practices as part of the bid solicitation. While these requests go by many different names (survey, scorecard, checklist or questionnaire), their purpose is to encourage vendors to improve their sustainability performance by asking them to disclose their efforts to reduce GHG emissions during the bid solicitation process. The questions asked by the organization may be the same for each solicitation, or they may be tailored to each bid in order to focus on where the largest sources of operational or supply chain impact are likely to occur within the contract.

Both vendors and purchasers face significant challenges to using questionnaires effectively. For purchasers, unless the data is verified by a third party, it is difficult to verify the responses provided by vendors. In addition, the general nature of many of the questions asked as part of a solicitation may not address the largest opportunity for impact reduction. From the vendor's point of view, some vendors

have reported a large increase in the number of solicitations requiring completion of sustainability questionnaires, each with their own unique format. This has required a shift in the vendor's resource and time allocation towards completing these surveys rather than focusing on business sustainability. Lastly, in our research, we found that no public agencies requesting sustainability questionnaires from vendors were using this information beyond the bid evaluation to benchmark and measure vendor performance improvements, or engage in strategic partnerships to advance mutual sustainability goals.

However, our research identified some established and emerging best practices for utilizing surveys in contracting for professional services. Below we describe these practices and, where available, provide examples of them in use.

[Incorporate sustainability questionnaire into bid evaluation scoring](#)

Professional services vendors may be motivated to improve their sustainability performance if these actions are scored as part of the bid evaluation in a best value bid solicitation. To do this, the purchaser requires bidders to answer specific sustainability questions and defines how those questions will be evaluated to receive points for bid scoring. Purchasers should consider how they will verify the bidders' answers and require documentation, whenever possible. See Case Study 6 and 7 for an example of how agencies are using sustainability questions in its competitive bid evaluations.

Case Study 6: Multnomah County, OR, sustainability questionnaire

Multnomah County, Oregon, focuses on the triple bottom line of sustainability; Environmental Considerations, Social Equity and Economic Impact. They seek to conduct business with vendors who demonstrate responsible business practices through sustainable innovations and accordingly, they include vendor evaluation questions on responsible business practices of up to 25% of the bid evaluation points, a portion of which directly relate to environmental initiatives implemented by the vendor. Below is a link to a contracting example from Multnomah County.

- [RFP 4000004908 for After Hours Call Center \(see page 20 of 60\)](#)

Find out more at Multnomah County's [website](#).

Case Study 7: City of Vancouver, Canada corporate leadership questionnaire

The City of Vancouver, Canada uses a Supplier Code of Conduct to ensure all City vendors meet minimum requirements related to ethical, social and environmental standards. In addition, they recognize vendors that are demonstrating leadership and innovation in sustainability by asking vendors to complete a corporate leadership questionnaire. Completion of the questionnaire is required, and answers are evaluated as part of bid scoring as described in the bid document.

- [RFP NO. PS20160984 - Social Infrastructure Plan \(Appendix 7: Corporate Sustainability Leadership Questionnaire\)](#)

Find out more about Vancouver's sustainable purchasing program at their [website](#).

Require use of standard assessment tools and centralized data repositories

In place of issuing unique supplier questionnaires, purchasers can ask or require a vendor to use established assessment tools and supplier performance data repositories. This identifies vendors who are committed to measuring their impacts. By utilizing existing resources, purchasers benefit by obtaining credible information from reputable sources, and vendors benefit by reducing the number of unique surveys they must complete. These repositories also have the benefit of collecting voluntary data from multiple suppliers, and in some cases, vendors can benchmark themselves against peers in their industry, thus allowing for competition to incentivize emissions reduction activities. Figure 7 lists possible sources for identifying supplier information related to their sustainability activities and operations.

Figure 7: Assessing supplier sustainability through centralized repositories¹⁰

Organization	Website
Global Reporting Initiative	www.globalreporting.org
CDP	www.cdp.net
Ceres	www.ceres.org
Supply Shift	www.supplyshift.net
EcoVadis	www.ecovadis.com

Case Study 8: City of Cleveland, OH local and sustainable purchasing preference

In 2010, the City of Cleveland adopted a [Local and Sustainable Purchasing](#) ordinance, which provides a 2-4% bid preference for companies that source products locally and/or are certified as a sustainable business. To be eligible as a sustainable business, companies must be headquartered in the 5 county region (Cuyahoga, Geauga, Lake, Lorain and Medina) and be certified as a sustainable business through approved programs, including the Global Reporting Initiative ([GRI](#)), Carbon Disclosure Project ([CDP](#)), or [Green Plus](#).

Find out more about Cleveland's sustainable purchasing program at the [website](#).

Use questionnaires as a benchmark for continuous improvement goals and metrics

Supplier questionnaires can be used as a starting point for continued engagement between the supplier and purchasing organization. The contract requirements can include ongoing contract reporting and continuous improvement goals that ensure high priority sustainability initiatives remain an integral part of the contract deliverables for the life of the contract.

The Federal GSA contract for Domestic Delivery Services includes two examples of ongoing engagement and reporting. First, the contract requires FedEx and UPS to report annually on actual GHG emissions associated with contract delivery use for each federal agency utilizing the contract. These reports allow agencies to manage their emissions related to their use of this contract. Second, it requires FedEx and UPS to report annually on continual improvement against contractor-provided goals for alternative fuel and vehicle use. These reports are then incorporated into the overall contract performance

¹⁰ This list is not exhaustive and inclusion does not confer endorsement. Those wishing to use this list should evaluate the certification to assess appropriateness for their situation.

management reviews. For more information on how the Federal GSA implemented these strategy, check out this [factsheet](#).

Other metrics that may be appropriate to include as part of regular contract status reports are business miles travelled and transportation modes. Tracking this information over a contract life may incentivize increase use of virtual meeting strategies, or lower-carbon travel modes.

[Use questionnaires to inform future engagement efforts or contracting strategies](#)

In some cases, questionnaires may be a valuable tool for gaining insights into areas ripe for collaboration within specific professional service sectors or to identify initiatives that can be included within contract requirements in future solicitations. These surveys should be specifically designed to gather the information required to move these initiatives forward.

Case Study 9: Nova Scotia sustainability assessment

Nova Scotia, Canada uses a [Sustainability Assessment](#) is to gather information and evaluate the sustainability of potential vendors. Completion of the assessment is required. The proponent sustainability assessment is an initiative for the government of Nova Scotia and is part of the overall implementation of the provincial Sustainable Procurement [Policy](#).

Case Study 10: City of Portland, Oregon sustainable questions

The City of Portland, OR has a sustainable purchasing philosophy of thinking carefully about what they buy, buying only what is really need, purchasing products and services with high environmental performance and considering the social and economic impacts of a purchasing decision. The bid documents below highlight examples of environmental specification in professional services contracting that seek to engage vendors in achieving these goals. Find more examples at the Portland [website](#).

- [Standard Corporate Responsibility Evaluative Questions for PTE Solicitations](#) - Professional, Technical, Expert Services (2013)

Appendix A: Comparing the Carbon Intensity of EIO/LCA Economic Sectors

Figure 17 provides economic sectors commonly selected in a supply chain GHG analysis for the purchasing categories commonly as presented in the Trends Analysis report¹¹. This table may be used by interested parties to compare the GHG-intensity (MT CO₂e / \$1 million spent) of specific items within a single purchasing category. This comparison could be used to inform and guide supply chain GHG reduction initiatives.

Figure 8: List of Greenhouse Gas Inventories included in the Trends Analysis report.

Purchasing Category EIO/LCA Sector	Total GHG Emissions	Carbon Dioxide (CO ₂)	Methane (CH ₄)	Nitrous Oxide (N ₂ O)	HFC/PFC
	MT CO ₂ e / \$1 million	MT CO ₂ e / \$1 million	MT CO ₂ e / \$1 million	MT CO ₂ e / \$1 million	MT CO ₂ e / \$1 million
Construction & Maintenance					
230101: Nonresidential commercial and health care structures	589	545	29	10	4
230103: Other nonresidential structures	612	559	38	10	5
230301: Nonresidential maintenance and repair	624	572	36	10	6
561700: Services to buildings and dwellings	491	389	91	7	3
Vehicles and Equipment					
336111: Automobile manufacturing	563	493	42	13	15
336112: Light truck and utility vehicle manufacturing	603	532	42	12	17
336120: Heavy duty truck manufacturing	682	613	46	9	15
333120: Construction machinery manufacturing	651	588	45	6	12
333112: Lawn and garden equipment manufacturing	611	552	38	7	13
337127: Institutional furniture manufacturing	647	579	41	12	14
33721A: Office furniture manufacturing	464	410	31	18	4
337215: Showcases, partitions, shelving, and lockers	892	808	55	15	14
333414: Heating equipment (except warm air furnaces) manufacturing	660	601	41	6	12
333415: Air conditioning, refrigeration, and warm air heating equipment	581	527	34	5	14
333911: Pump and pumping equipment manufacturing	563	510	33	5	15
Computers and Phones					
334111: Electronic computer manufacturing	284	244	18	3	18
334210: Telephone apparatus manufacturing	316	272	21	4	19
334220: Broadcast and wireless communications equipment	322	277	21	4	21
Chemicals and Operating Supplies					
325510: Paint and coating manufacturing	1,070	910	100	38	26
325190: Other basic organic chemical manufacturing	2,720	2,238	216	203	66
325610: Soap and cleaning compound manufacturing	812	677	81	34	20
313310: Textile and fabric finishing mills	1,130	960	83	79	10
33221B: Hand tool manufacturing	782	715	44	6	18
336300: Motor vehicle parts manufacturing	757	671	51	13	21
811300: Commercial machinery repair and maintenance	263	230	23	4	6
811200: Electronic equipment repair and maintenance	190	166	14	2	8
8111A0: Automotive repair and maintenance, except car washes	328	292	26	4	5
339111: Laboratory apparatus and furniture manufacturing	414	368	30	8	8
339112: Surgical and medical instrument manufacturing	314	280	23	6	5
Professional and Community Services					
541300: Architectural and engineering services	186	166	15	3	2
541610: Management consulting services	129	113	13	2	1
541511: Custom computer programming services	183	168	12	2	2
561300: Employment services	88	79	7	1	1
541100: Legal services	99	88	9	2	1
611800: Other educational services	194	171	20	2	2
562000: Waste management and remediation services	2,570	327	2,210	30	5
541800: Advertising and related services	239	214	19	4	2
624200: Community food, housing, rehabilitation services, and other relief services	325	271	38	14	2
Office Supplies, Printing and Paper					
339940: Office supplies (except paper) manufacturing	535	472	38	15	11
33331A: Lending, commercial, industrial, and office machinery manufacturing	567	505	44	7	11
325910: Printing ink manufacturing	1,200	1,014	147	19	20
322120: Paper mills	1,520	1,394	85	32	12
323110: Printing	546	489	39	11	6
Food, Lodging and Transport					
722000: Food services and drinking places	580	442	82	52	4
7211A0: Hotels and motels, including casino hotels	559	492	53	10	3
484000: Truck transportation	1,400	1,326	67	3	3
481000: Air transportation	1,980	1,881	98	4	3
485000: Transit and ground passenger transportation	1,870	1,720	136	7	7

¹¹ Good Company on behalf of StopWaste (2015). *Supply Chain Greenhouse Gas Inventory Meta-Analysis*

Appendix B: Service Deliverables That Influence Lifecycle Carbon Emissions

Below is a list of Professional Service types where the long-term carbon impact of the service deliverable itself may dwarf those that are generated by the service provider while under contract. In cases such as these, it is incumbent upon purchasing organizations to include technical specifications in the service deliverable requirements that minimizes lifecycle impacts of the projects that are being delivered. For tips on strategies for addressing these impacts, visit the Climate Friendly Purchasing [toolkit](#).

Service Type	Potential Lifecycle Climate Impact	Recommended Strategies
Design services (architectural, engineering, Infrastructure, industrial, landscape, etc.)	Lifetime energy, water, and resource use of building	Design to reduce lifetime energy, water and resources use; specify low-carbon materials in construction
Construction management services	Fuel use of onsite construction equipment, construction waste, low-carbon material selection	Influence construction practices to reduce waste, fuel, and energy use and select low-carbon materials
Real estate services	Lifetime energy, water and resource use of building; proximity to public transit	Acquire energy & resource efficient space that is transit accessible space
IT Services (e.g., software development, data storage, web hosting services)	Lifetime energy and resource use of IT infrastructure (both onsite and off-site); Resources consumption	Design to minimize energy and resource use (e.g. paper and equipment); specify efficiency of server equipment and facility
Public relations, marketing	Material consumption through print media; Transportation impacts related to survey methods	Collateral design and publication methods to reduce print media impacts; Survey methods to reduce transportation emissions
Meeting facilitation services	Travel to meetings; Embodied emissions of food (if served)	Locate meetings with public transit options; food and beverage service that reduces waste and minimizes high-carbon protein (esp. beef)
Concessions/food service management	Lifetime energy, water, and resource use of building; Embodied emissions of food	Energy efficient operations and equipment; food and beverage service that reduces waste and minimizes high-carbon protein (esp. beef)
Consulting firms completing business plans or strategic plans	Long-term strategy to reduce climate impacts related to operations	Incorporate sustainability as a core value of organization to influence long-term GHG emissions
Community service providers conducting field work	Lifetime energy and resource use of services provide; Embodied emissions of food	Fuel efficiency of fleet; provision of food and beverage that reduces waste and minimizes high-carbon protein (esp. beef)

Appendix C: Environmentally Preferable Purchasing Resources

LOCAL GOVERNMENTS

- King County, Washington
http://www.kingcounty.gov/operations/procurement/Services/Environmental_Purchasing/Products.aspx
- Multnomah County, Oregon
<https://multco.us/purchasing/sustainable-purchasing>
- County of Alameda, California
<http://www.acgov.org/sustain/what/purchasing/>
- City and County of San Francisco, California
<http://sfapproved.org/>
- City of Portland, Oregon
<http://www.portlandoregon.gov/bibs/37732?>
- City of Seattle, Washington
<http://www.seattle.gov/city-purchasing-and-contracting/city-purchasing/green-purchasing>
- City of Santa Monica, California
<http://www.smgov.net/Departments/OSE/greenOffice/>

STATE

- California
<http://www.dgs.ca.gov/buyinggreen/Home.aspx>
- Massachusetts
<http://www.mass.gov/anf/budget-taxes-and-procurement/procurement-info-and-res/procurement-prog-and-serv/epp-procurement-prog/green-products-and-serv/specific-epp-statewide-contracts/>
- Minnesota
<http://www.pca.state.mn.us/index.php/topics/preventing-waste-and-pollution/environmentally-preferable-purchasing/state-contracts.html>
- New York
<http://www.ogs.ny.gov/EO/4/ApprovedSpecs.asp>

FEDERAL

- Environmental Protection Agency
<http://www.epa.gov/epp/index.htm>

OTHER RESOURCES

- StopWaste
<http://www.stopwaste.org/preventing-waste/fact-sheets-guides-and-model-policy>
- Responsible Purchasing Network (RPN)
<http://www.responsiblepurchasing.org/>
- Sustainable Purchasing Leadership Council (SPLC)
<https://www.sustainablepurchasing.org/>

Solution Strategies for Sustainable Purchasing

Leadership organizations employ a range of solution strategies for addressing challenges to leadership in sustainable purchasing. This list is intended to spark ideas for discussion internally and with stakeholders. Not all strategies will be relevant to all challenges, organizations, or purchasing categories, nor is the list exhaustive. For more information about how to think about environmental, social, and economic (ESE) impacts, please refer to the *Principles for Leadership in Sustainable Purchasing v1.0*, available on the SPLC website.

Strategy	Description	Example
Efficiency	Reduced impact through reduced use	Implementing a procure-to-pay IT system reduces impacts associated with printing and transporting paper documents.
Process change	“Design the impact out” of a process	Air pollution from medical waste incineration is reduced by switching to reusable surgical tools that are steam sterilized.
Behavior change	Implement programs to shift attitudes and practices	Voluntary “green office” competitions reduce energy and material consumption, while increasing recycling.
Combining Actions	Combine multiple actions into a single positive ROI project	An energy efficiency project is combined with a solar project. Energy savings offset the solar costs for a good overall ROI.
Supplier engagement & accountability	Engage and hold accountable suppliers with regard to a specific impact	Some universities require apparel manufacturers to permit independent audits of factory conditions and provide retribution-free grievance and remedy processes.
Product substitution	Choose a different product with lower ESE impacts	Chemical costs and workers compensation insurance premiums reduced by switching to green cleaning products.
Supplier substitution	Choose a supplier with lower ESE impacts	Making evidence of bribery or extortion automatic grounds for suspension of business with a supplier.
Servicizing	Convert a product acquisition to a long-term service relationship	Instead of owning copiers, establish a pay-per-copy service relationship so that the price of each copy reflects the true cost.
In-source	In-source a function to better reduce impacts	Hiring LEED expertise in-house to optimize and streamline green building across all of org’s construction and renovations.
Out-source	Outsource when an external party can better reduce impacts	Contract out utility bill management to firms that leverage energy market expertise to cut energy and carbon costs.
Offsetting	Pay for an impact reduction to offset impacts elsewhere	Buying carbon offsets; paying to put land in permanent conservation to offset development of other land.
Other?		