Sustainable Purchasing & Politics: Leading but Staying Out of the Mud

NACo Green Government 2012 Fall Webinar Series

September 27, 2012

NACo is pleased to present this webinar in cooperation with NACo’s Green Government sponsors.
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NACo Fall Green Government Webinar Series

Sustainable Purchasing & Politics: Leading but Staying Out of the Mud
September 27th

Enacting Effective Wind Energy Ordinances
November 8th

Engaging Community Stakeholders in Sustainability and Planning Projects
November 13th
Why are we here today?

- Learn how to make the case for Green Purchasing
- Learn a few key opportunities for county leaders can further a green purchasing agenda
- Hear specific examples of how elected officials in Franklin County, Ohio, and Multnomah County, Oregon are championing green purchasing
Core Beliefs

County green purchasing programs rely on the leadership of county officials to build cross-department programs and dedicate staff time toward purchasing goals.

Products that cost more and do not perform as well as traditional products are not sustainable. When delivering county services, it is unacceptable to compromise on value and performance.
NACo Green Purchasing Tools & Resources

County Green Purchasing Toolkit
www.naco.org/greenkit

Bio-based Product Demonstration Program
Contact Cindy Wasser at cwasser@naco.org or (202) 942-4274

Green Purchasing Policy Map
www.naco.org/greenpurchasing

2012 Summer Green Purchasing Intern Program
Contact Cindy Wasser at cwasser@naco.org or (202) 942-4274
Housekeeping Items:

This webinar will be recorded and made available online to NACo members to view later.

In the next few days you will receive an email notice with the link to the recording with your webinar evaluation survey.

Thank you in advance for completing the webinar evaluation survey. Your feedback is important to us.
Agenda

2:00 Welcome/Introductions

2:05 Scot Case, Director of Market Development, UL Environment
Case for Green Purchasing and opportunities to move forward

2:15 Hon. Paula Brooks, Commissioner, Franklin County, OH
Efforts by Commissioner Brooks to champion a Sustainable Purchasing Policy; program accomplishments

2:30 Sophia Cavalli, Purchasing Director, Multnomah County, OR
Effective working relationships between Purchasing Director and Elected Officials; program accomplishments in Multnomah County

2:45 Q&A
Question and Answer Session Instructions

Type your question into the chat window, and the moderator will read the question on your behalf.
Thank you for participating in NACo’s webinar.

For more information about NACo membership, contact

Andrew Goldschmidt at agoldschmidt@naco.org

or

Ilene Manster at imanster@naco.org
Thank you for attending today’s webinar.

To learn more about upcoming NACo webinars, please visit www.naco.org/webinars
Government Purchasers Save the World
Incorporating Human Health, Environmental, and Social Considerations into the Purchasing Process

Scot Case
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September 27, 2012
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UL is expanding the definition of safety to include the safety of future generations.
“Every single purchase has hidden human health, environmental, and social impacts.”
Warnings
Consuming the Environment

“The major cause of the continued deterioration of the global environment is the unsustainable pattern of production and consumption, particularly in industrialized countries.”

– United Nations Agenda 21 Report
2002 World Summit

Emphasized the need for authorities to “[p]romote public procurement policies that encourage development and diffusion of environmentally sound goods and services.”

- 2002 World Summit on Sustainable Development in Johannesburg
Greenhouse Effect -- Necessary for Life

Most of the Sun's energy is absorbed by the Earth, but some is reflected back into space.

Like a blanket, a natural layer of atmospheric gases absorbs a portion of this reflected solar energy, trapping it on Earth. This natural greenhouse effect makes life possible by warming the Earth's climate to a point where it can sustain life.

Too Much of a Good Thing

When this blanket of heat-trapping greenhouse gases becomes too thick, however, much reflected heat is forced back to Earth, where it warms the Earth's surface. This can cause unpredictable, and potentially disastrous, effects.
Big Business Responds

“We are looking at innovative ways to reduce our greenhouse gas emissions. This used to be controversial, but the science is in and it is overwhelming.... We believe every company has a responsibility to reduce greenhouse gases as quickly as it can.”

—Lee Scott, CEO of Wal-Mart
October 24, 2005
Wal-Mart’s Goals

To be supplied 100% by renewable energy

- Existing stores 20% more efficient in 7 years
- New stores 30% more efficient in 4 years
- Fleet 25% more efficient in 3 years, double in 10 years

To create zero waste

- 25% reduction in solid waste in 3 years
- All private brand packaging improved in 2 years (right sized, reusable materials)

To sell products that sustain our resources & environment

- 20% supply base aligned in 3 years
- Preference given to aligned suppliers in 2 years
- Design and support Green Company in China
Two Cups of Coffee a Day

- 34 gallons of coffee a year.
- 18 pounds of coffee beans
- 12 pounds of fertilizer
- A few ounces of highly toxic pesticides
- 43 pounds of coffee pulp
- Clear cutting of forests to grow even more coffee
- Bird species disappearing
- More erosion
- More pesticides
Responsible Purchasing History

Why Focus on Government Purchasing?

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September 27, 2012
Basic Premise #1

Every single purchase has hidden human health, environmental, and social impacts throughout the entire supply chain.
Basic Premise #2

Government purchasing is the most important force in the entire global economy.

- Government purchasing represents 20 percent of the annual Gross National Product.
- It is very structured.
- It influences others.
Government Purchasing History

• Clothing sizes during the Civil War
• Small Business Administration
• Automobile airbags
• Energy-efficient computers
• Recycled-content paper
Environmental Purchasing Policies

States:
California
Connecticut
Georgia
Illinois
Indiana
Iowa
Massachusetts
Missouri
Minnesota
New Jersey
New York
North Carolina
Oregon
Pennsylvania
Vermont
Washington

Counties:
Chatham County, NC
Kalamazoo County, WI
King County, WA
Kitsap County, WA
Multnomah County, OR
San Mateo County, CA
Santa Cruz County, CA
Sarasota County, FL

Cities:
Boulder, CO
Cincinnati, OH
Kansas City, MO
Portland, OR
Phoenix, AZ
San Francisco, CA
Santa Monica, CA
Seattle, WA

See “Green Purchasing Policies 101” for additional information.
“Every single purchase has hidden human health, environmental, and social impacts.”
Why Responsible Purchasing?

• Regulatory requirements
• Executive Order mandates
• Policy directives
• Cost savings
• Environmental benefits
Cost Savings

• Lower compliance costs
• Lower disposal costs
• Lower liability costs
• Lower injury costs
• Higher productivity
Beware of Greenwashing

Green·wash (grēn'wŏsh', -wôsh') – verb: the act of misleading consumers regarding the environmental practices of a company or the environmental benefits of a product or service

WARNING:
Learn to ask critical questions or you might be buying products with creative marketing rather than products with legitimate environmental benefits.
UL Environment Validation, Verification & Certification Services
Popular Labels

• Chlorine Free Products Association – <www.chlorinefreeproducts.org>
• EcoLogo (Environmental Choice) – <www.ecologo.org>
• Energy Star – <www.energystar.gov/purchasing>
• EPEAT - <www.epeat.net>
• Forest Stewardship Council – <www.fsc.org>
• Green-e – <www.green-e.org>
• GREENGUARD– <www.greenguard.org>
• Green Seal – <www.greenseal.org>
• Green Building Council (LEED) – <www.usgbc.org/leed>
• Scientific Certification Systems – <www.scscertified.com>
• UL Environment -- <www.ulenvironment.com>
• Water Sense – <www.epa.gov/watersense>
“Every single purchase has hidden human health, environmental, and social impacts.”
Opportunities for County Leadership

• Ask questions of purchasing professionals

• Have purchasing professionals ask questions of suppliers

• Talk about market-based environmentalism as a local job creator that creates additional cost-saving and environmental benefits

• Encourage the development of a voluntary sustainable purchasing policy

• Explore the development of a mandatory sustainable purchasing policy

• Focus on the cost saving opportunities available through cooperative purchasing – US Communities can make buying all products, including greener products much more affordable.
Questions
Franklin County, Ohio

Sustainable Purchasing Best Practices
Franklin County

Established: April 30, 1803
County seat: Columbus (state capital)
Land area: 540 sq. miles
County Population: 1,163,414 (2010 census)
33rd largest county in the U.S.
Annual Budget: $1.3 billion, Double AAA bond
(Moody's and Standard and Poor's)
Commissioners: Board of 3 at-large seats


Key industries: Manufacturing, Financial Services, Retail, Tourism, Federal/State/Local Government, Universities/Research
Franklin County

Columbus Clippers/Huntington Park:  
2010/2011 Triple AAA National Champions  
Rated 2009 Best Ballpark in America  
* both owned by Franklin County

Columbus Zoo & Aquarium:  
Ranked the #1 Zoo by USA Travel Guide  
9,000+ animals/650 species from around the globe  
Director Emeritus Jack Hanna

The Ohio State University:  
Enrollment: 56,867 - one of nation’s largest  
Ranks in top 10 in research ($756 million)  
Strengths: alternative energies, cancer, infectious disease, advanced materials, ag-bio
Franklin County

NACo Partnership

- Franklin County has been a NACo member since 1988
- Member of the Green Government Advisory Committee since its inception
- Active user of U.S. Communities, GovDeals, and NACo Prescription Discount Card Program
Top-Level Commitment to Sustainability

2006: Franklin County Commissioners established County’s commitment to goals of environmental protection and economic growth

Through resolution and action, County expressed its intention to promote sustainable principles in policy decisions and programs

2009: $27 million retrofit of facilities emphasizing green tech yielding 55 million return on investment
Resolution 683-06
Adopted August 29, 2006

- promotes the purchase and use of products and services that enhance environmental, social and economic health
- develops waste management policies that reduce the amount of materials directed to landfills for disposal
- improves air quality through environmentally appropriate fleet management practices concerning vehicle performance and use of alternative fuels
Section 11.01 – Created as a result of 683.06 for Formal Competitive Bids over $25,000

- Purchase goods that are manufactured using the least amount of new materials, the least amount of energy for their production and which make the least contribution to environmental pollution.

- Intent to do business with providers of goods and service who promote sustainable environmental policies within their own businesses and while doing business with Franklin County.

- Requires vendors provide information concerning manufacturing processes, percentage amount of recycled material, percentage amount of item that can be recycled, and whether product meets EPA standards or has received certification/approval from an independent third party organization.

*Green Seal, Indoor Advantage, Eco Logo or Energy Star
Resolution 435-08

Adopted May 20, 2008

- Resolution establishing a County policy on recycled paper usage and conservation
- Requires all Commissioner Agencies to purchase paper that contains a minimum of 30% post-consumer recycled content in hopes of reducing the purchase and use of virgin copy paper products.
- The policy also encourages two-sided printing and copying, greater recycling of used paper, preference for electronic transmission of documents to reduce paper consumption.
Resolution 909-11

Adopted December 13, 2011

Resolution authorizing a purchasing policy regarding the requirements for all purchases made under the authority of the Board of Commissioners

Built on Resolutions 683-06 and 435-08, as well as Section 11.01

Requires that all quotes, both formal and informal should contain the requirement for each vendor to provide information concerning the manufacturing processes used to produce their offered product including:

- The percentage amount of recycled material contained in the product
- The percentage amount of the item that can be recycled
- Whether the product meets EPA standards or has received certification/approval from an independent third party organization such as “Green Seal”, “Indoor Advantage”, “Eco Logo” or “Energy Star”.

Franklin County
Green Initiative
Examples of Success

- Cafeteria & Vending Services: included vending machines that sleep when not in use and inclusion in recycling program/segregation of trash
- Pest Control Services: required use of chemicals that are water soluble and don’t harm environment.
- Housekeeping & Cleaning Services: required vendor to provide list of chemicals, equipment (highlight energy star rated).
- Janitorial Chemicals & Supplies: janitorial chemical bid awarded last year included environmentally favorable alternatives. All supplies are biodegradable, all paper towels and toilet paper are Green Seal Certified (made from 100% recovered paper fiber)
Franklin County
Green Initiative
Other Examples of Success

- Required vendor to provide E85 and bio-diesel fuel; bid as cooperative contract for Franklin County, 7 local municipalities, solid waste authority, local transit authority, and regional airport authority

- Fuel: Waste oil is removed from some County vehicles to help operate building heating systems in order to limit the use of natural gas for winter heating

- Paint Supplies: Bidders must provide paints and supplies that enhance environmental health where feasible. Try and use VOC (volatile organic chemicals) paints that help to reduce fumes entering the atmosphere

- Furniture: Furniture meets green guard requirements, contained recycled material and 70%+ of material in each new chair is recyclable
County Buildings

New Buildings

Common Pleas Courthouse
- LEED Gold
- 314 Jobs Created or Retained
- Opened June 2011

Dog Shelter & Adoption Center
- LEED Silver
- 39 Jobs Created or Retained
- Opened September 2011
Green Renovations

Building Retrofit Program

- $25.5 million in energy conservation measures
- Save $2.4 million a year over 20 years, for a net savings of $23 million

Features Include:
- Upgraded Lighting and Lighting Controls
- Water conservation upgrades
- Building envelope improvements
- Decentralized chilled water sloop system

Promoting a culture of energy awareness with building occupants and building maintenance staff

Other Green Renovations:

- Installed cooling tower, chilled water, and condenser water pumps at Franklin County Veterans Memorial
Energy Saving Projects

Rooftop Photovoltaic Solar Generating Project:

- Largest Government Solar panel in Ohio
- Reduces Franklin County’s energy usage as much as taking five homes off the electric grid
- Reduced carbon footprint by more than 35 tons in first five months

Lighting Retrofit Project:

- Lighting upgrades in 5 county facilities
- Scope of work included changing out over 19,000 fixtures
- Estimated annual savings of 2,546,280 kWh
Internal Operations

Budget:
- The Office of Management and Budget is comprised of Analysts who each work with selected elected/agencies, and all analysts report to 1 of the 3 Deputy County Administrators for the Commission

- As part of each elected official and agencies submitted budget, they are required to report all of their 683-06 initiatives

Purchasing Department:
- The Purchasing Department, a staff of 18, has the responsibility of decentralized procurement of commodities, services, construction, and professional services for the Franklin County while working with those seeking to do business with the county

- Purchasing Director reports to 1 of the 3 Deputy County Administrators for the Commission

- Purchasing Director has the responsibility of educating all the other elected and agencies how to properly submit their Purchase Orders in relation to our sustainability practices
Questions? www.franklincountyohio.gov

Contact Information:
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Franklin County Board of Commissioners
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Special thanks to:
Justin Shaw, Aide to Commissioner Paula Brooks
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NACO Webinar

Sustainable Purchasing and Politics: Leading but Staying Out of the Mud
Leveraging Public Spend

- State and local governments spend more than $1 trillion on goods and services.
- Multnomah County spends $300-400 million annually.
- How much does your County spend on goods and services?
Federal Government

President Obama 2009- Executive Order 13514

• 2015- Achieve 50% recycling and waste diversion
• Meet sustainability requirements across 95% of all applicable contracts.
• 2030- Implement net-zero-energy building requirement

GSA

• 2020- reduce its overall greenhouse gas emissions (GHG) by 30% by 2020.
• Long-term goal of zero environmental footprint
Marketplace – Everyone is doing it

Walmart

• Supplier Sustainability Scorecard- moving from 15 questions to 100 categories
• Number of current suppliers: 100,000
• Annual inventory expenditures (in millions)
  – 2010: $32,713
  – 2011: $34,013
  – 2012: $34,690
• NO. 3 among the top 50 largest green power purchasers, up from NO. 15 in October, 2011
• NO. 3 purchaser of green power among FORTUNE 500 companies
Corporate Sustainability rankings

- Global 100: Most Sustainable Corporations in the World (Annual Project by Corporate Knights)
- Newsweek – Green Company Rankings
- Forbes – America’s Greenest Companies
- Harvard Business Review – Top 10 Sustainability CEOs
- Fortune – Ten Green Giants
Chief Sustainability Officers exist alongside COOs and CFOs – E.g. Heinz; Lucent Technologies; Chevron

Dow Jones – Sustainability Index

Benefit Corporation – B-Corp
- Corporate structure obligates triple bottom line
- B-Corps represented in 60 industries
- Over $3.3 billion in revenue
- Patagonia
Drivers at Multnomah County

- Policy – coordination of efforts
- Cost savings
- Waste management/reduction
- Local business participation
- Economic development – social equity
Multnomah County Elected Officials

- Mandatory policy - via Chair’s Administrative Rule
- County-wide email announcing policy
- Press Release
- County-wide celebration/event
- Personal invitations to Directors and executive leadership
- Use of social media
- Quotes in articles
- Office of Sustainability reports to Chair
Facts and Figures

• Energy savings – annual $1 million

• Sustainable Jail Project – annual savings $400,000
  www.sustainablejails.com

• Janitorial paper products – annual savings $20,000

• Increased local small business participation from 14% in 2008 to 34.4% in 2011
Multnomah County’s Sustainable Purchasing and Social Equity Policy

- Includes goods and services
- Responsible business practices
- 25% of evaluation criteria for sustainability and social equity
- Social equity metrics 10% of evaluation criteria
- Purchases $5,000-$150,000, must contact at least 3 Minority, Women or Emerging Small Businesses
- Sustainable Checklist embedded into purchasing approval process
www.multcopurch.org

- Boilerplate language
- Past procurement documents
- Vendor resources
- Checklists
- Case studies

Plagiarize!
Sustainable Purchasing For County Employees

Tools and resources to help you make a more sustainable purchasing decision for Multnomah County:

- **Checklists**
- **Language Library**
- **Training**
- **Additional Tools**
  - Sustainable Purchasing Guides and Best Practices
  - Glossary of Sustainability Terms
  - Comprehensive Procurement Guidelines
  - EcoLabels & Certifications
  - Related County Sustainability Policies
- **No idea where to start?**
  - Check out this tin sheet
Leveraging Your Spend

- **Every** purchase has an impact on human and environmental health and economic sustainability.

- **Best overall value:**
  - Cost savings
  - Waste management
  - Planning = better purchases
  - Local small businesses
  - Marketplace – better business practices
Questions to Ask

• What is County’s annual spend?
• Does County have a Green Purchasing Policy?
  – Recycled-Content Policy?
  – ENERGYSTAR Policy?
• Who is the Purchasing Director/Manager?
• Who manages the purchasing for new construction projects?
• Who is the Fleets Director?
• Who is the Energy Manager?
• Are purchasing contracts managed by a central office?
• What amount of the County’s budget is spent on “green” products or services?
What other Elected Officials are doing?

- Building cross-departmental partnerships
- Holding Directors/Executive Staff accountable with regular reporting
  - Annual Reports
  - Council/Board meetings
- Publicly celebrating success
- Serving as an Ambassador to the business community
Your Leadership Matters

- Senior management buy-in
- Define sustainable purchasing for your agency
- Build into existing systems and processes
- No one has to be an expert
- One dedicated staff part-time or full-time
- Incentives
  - Partnering
  - Awards
  - Recognition
  - Performance reviews
Other Counties

Franklin County, OH
San Francisco City/County, CA
San Mateo County, CA
Santa Cruz, CA
San Joaquin County, CA
King County, WA
Kitsap County, WA
Sarasota County, FL
Kalamazoo County, WI
Chatham County, NC
NACo Resources

www.naco.org/greendatabase
www.naco.org/greencounties
www.naco.org/greenpurchasing

Programs and funding opportunities:

www.naco.org/greennetwork
What is one new way that you can provide leadership in leveraging your County’s annual spend?
Going Green Together

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