

A Monthly Newsletter Serving the



Defense
Logistics Agency Community

ENVIRONMENTALLY PREFERABLE PURCHASING (EPP)

Providing Buyers, Catalogers and Item Specialists

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The Information Busy People Need to Keep Current

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Comprehensive Procurement Guidelines (CPG)

Following extreme delays resulting from conflicting comments from industry, EPA is issuing a separate notice for the carpet portion of CPG IV. The non-carpet portions of CPG IV will be expected around the end of October.

Biobased Products

The Federal Register Notice codifying the requirements of the 2003 Farm Bill, defining content criteria for product categories and outlining procedures for designating biobased products has cleared USDA and is not at OMB for review.

Evaluating Multiple Attributes

Environmental preferability is generally associated with a dominant attribute for a particular product. Low-VOC and cleaning products, for example. But finding the truly best environmental product involves a more complex evaluation. EPA has a website that addresses multiple attributes for cleaning supplies. It's an eye opener.

Comprehensive Procurement Guidelines (CPG)

In August 2001, EPA announced CPG IV, adding 11 new product categories to the list of products Federal Agencies must give procurement preference based on recycled content. Conflicting comments, late comments, EPA's willingness to accommodate late submissions, and difficulty resolving differences have all contributed to delays in issuing the final Federal Register notice that triggers Federal Agency actions to implement the list. For a complete list of product categories, see the April 2002 newsletter issue at: <http://www.dlis.dla.mil/epp/pdf/updateapr02.pdf>. EPA has separated the carpet category from the others and issued a separate notice of data availability in the Federal Register, available at: <http://www.epa.gov/epaoswer/non-hw/procure/pdf/rman4noda.pdf>. As a result, the final CPG IV will not include carpet, but will include the remaining 10 categories contained in the original list. EPA's latest estimate is that by removing the carpet category, CPG IV could be published by the end of October.

CPG V is also expected sometime in October, which includes only two items; compost and fertilizer. Details have not yet been posted on EPA's web site.

Biobased Products

The Department of Agriculture (USDA) has drafted a Federal Register announcement, Proposed Guidelines for Implementing Section 9002 of the Farm Bill, which is currently in the Office of Management and Budget (OMB) for review. The document proposes the regulatory structure to implement the preferential procurement requirements for biobased products contained in Section 9002 of the FY2003 Farm Bill. Final publication depends on OMB comments and how easily they are reconciled. Following publication of the

draft Guidelines, there will be a 60 day public comment period, including public meetings. Once the comment period closes, USDA will revise the guidelines and publish the final version in the Federal Register. Watch this newsletter for status.

The Farm Bill requires all Federal Agencies, including Defense, to establish preferential procurement programs for products designated as biobased by USDA and use biobased products to maximum extent practicable; to implement a biobased products promotion program; and to annually review and monitor their program. These requirements were first reported in the January 2003 newsletter. To review the 11 biobased product categories, visit: <http://www.dlis.dla.mil/epp/pdf/updatejan03%20.pdf>. The program does not include motor fuels, such as biodiesel, or electricity.

The USDA Guidelines document accomplishes three purposes. First, it establishes processes for determining the criteria for how much biobased material products must contain in order to be designated as biobased. Second, it outlines the procedures vendors must comply with in order to have their products designated as biobased by USDA. Third, it begins a one-year clock for Federal

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Chlorine-Free Products

Since Joe Thorton's book, Pandora's Poison, was published in 2000 concern about chlorine in the environment has taken on a new sense of urgency.

ERLS Web Reporting Tool

Green Products Report, a customized web-based reporting tool is expected to be operational in October.

DLA Presentations at the 14th Annual Workshop on Alternatives to Toxic Materials in Industrial Processes

DSCP and DLIS will talk about their roles in the EPP program at the Radisson in Scottsdale, AZ Dec 9-11.

The Power of Environmentally Preferable Purchasing

A new report by Worldwatch Institute finds mega-consumers, like governments, play a critical role in moving the world towards an environmentally sustainable future.

Building an Effective EPP Program

As part of its study, the Worldwatch Institute has also identified 10 elements that make a successful program. Most, but not all, could be applied to DLA.

Change in Newsletter Dates

Newsletter dates will now correspond to the month following publication, rather than the month in which it was drafted.

Agencies to implement the program. USDA is working with the University of Iowa to establish a testing program to measure the bio-content of products and determine whether they meet the criteria for preferential procurement. Despite lack of a final Guidelines document, the legislative language is clear enough to allow some testing to begin. As a result, USDA and the University of Iowa are already testing some products, meaning some products will be designated soon after the final Guidelines are published. This could occur sometime next spring, possibly earlier if comments are minimum.

This program represents a significant expansion of DLA's existing EPP, and overlaps existing attributes. For example, a product could easily be both low-VOC and biobased, resulting in the potential for two ENACs to be assigned to a single product. If "third party" eventually becomes an attribute, some products will inevitably qualify for three ENACs. It is easy to imagine products that would meet low-VOC, biobased, and third party certified criteria. It is unclear how FLIS, EMALL and legacy ordering systems would handle such multiple designations. DLA may wish to consider how to manage this situation over the coming year in anticipation of the launch of USDA's Biobased Products program.

Considering Multiple Attributes - The Wave of the Future?

We've become accustomed to considering EPP products in the context of a single attribute. For example, industrial chemicals are evaluated based on low-VOC content, but not other health factors. Plumbing fixtures are evaluated based on water consumption. Electrical appliances are evaluated based on energy consumption or standby power, but currently not both. While there is sometimes a strong correlation between a single attribute and a specific product, water consumption and faucets for example; this is often not the case. One obvious example is industrial chemicals, such as cleaning products, which exhibit many attributes that significantly affect their environmental performance. In addition to containing VOCs, industrial cleaners can exhibit a wide range of attributes that make them undesirable, from non-volatile toxic materials that can cause health problems to bad odors that make workers not want to use them, to wasteful packaging. To evaluate these products more holistically, EPA has launched a Cleaning Products Pilot Project website that helps determine the environmental preferability of one product over another based on a variety of attributes. Some of these attributes are more important than others, which are assembled in a matrix based on their significance and relevance. The site is found at:

<http://www.epa.gov/opptintr/epp/cleaners/select/matrix.htm>.

The selection tool allows you to consider Skin Irritation, Food Chain Exposure, Air Pollution Potential (defined in this EPA pilot program as VOC only), Fragrances, Dyes, Reduced or Recycled Packaging and Minimized Exposure to Concentrates. Packaging has two components. One is whether the product is a concentrate, reducing the volume of the product and amount of packaging. The other is whether the packaging meets EPA criteria for recycled packaging. Many of these "attributes" do not currently meet DLA criteria for consideration as an EPP attribute. But as EPP becomes more sophisticated, weighted decision matrices such as these will likely become more commonplace for determining which product is most environmentally preferable. A review of the products evaluated by this site shows common products used by military depots and maintenance facilities.

DLA's first use of multiple attributes may occur soon. The Federal Energy Management Program (FEMP) is working to integrate the energy efficiency attribute and the low standby attribute into a single evaluation. The result will be a single product list that will contain products that meet both attributes. Once done, FEMP may present DLA with its first multi attribute product list. Issues such as how to reflect multiple attributes in the FLIS will need to be resolved.

Chlorine-Free Products

Since its publication in 2000, the book Pandora's Poison - Chlorine, Health and a New Environmental Strategy (MIT Press) - concern over the ubiquity of chlorine in the environment and its potential impact on human health have taken on a new scrutiny. Reviewed in Nature as a "landmark book" and criticized by the chlorine industry, the book is bringing new attention to the class of chemicals known as organochlorines. DLA may wish to watch carefully as this issue develops. For more information on this issue and the controversy the book has sparked, visit: <http://www.pandoraspoison.com/>.

ERLS' New Green Procurement Report (GPR)

A new web based version of the Environmental Reporting Logistics System's (ERLS) "Green Procurement Report (GPR)" containing Total Green and Non-green Procurements from DLA and GSA by Service/Agency and DoDAAC will be available in October. Look for it at: <http://www.dlis.dla.mil/erlsgr/>

14th Annual Workshop on Alternatives to Toxic Materials in Industrial Processes

Representatives from DLIS and DSCR will discuss their roles in DLA's EPP Program at the 14th Annual Workshop on Alternatives to Toxic Materials in Industrial Processes at the Radisson Conference Center in Scottsdale, AZ from Dec 8 - 11, 2003. Topics are selected by an Executive Committee comprised largely of Service maintenance and environmental representatives. For more information and registration visit: http://www.exchangemonitor.com/samples/4_page_dec_2003.pdf

Recent Study Shows Green Purchasing Helps Institutions Save the Planet and Their Own Bottom Lines

In July, the international survey organization, The Worldwatch Institute, announced a new study titled "Purchasing Power: Harnessing Institutional Procurement for People and the Planet" that reinforces the importance of government environmentally preferable purchasing programs, such as DLA's. For the report, visit: <http://www.worldwatch.org/pubs/paper/166/>

The report found that mega-consumers, such as government agencies, are critical to moving the world toward an environmentally sustainable future. While many efforts to change consumption patterns focus on individuals, large institutions that spend billions of dollars annually on goods and services hold considerable sway over the health and stability of many of the world's fragile ecological systems. In fact, they can have far greater impact for the planet's future than the buying habits of most households.

The study details how the large scale, systematic approach that most institutions take in their purchasing can have large ripple effects on individuals. If enough demand for green products is generated, entire markets can shift; and the purchasing power of large institutions committed to green purchasing can help spark that shift. It's a matter of scale. Annual government procurement has reached \$2 trillion, or about 18 percent of GDP. The report cites that in addition to shifting markets, by buying products such as energy-efficient lighting, government both creates safer and healthier workplaces and saves money. The report highlights two examples in which government shifted global markets by enacting and enforcing environmentally preferable purchasing policies.

In 1993 when President Clinton directed the U.S. government, the world's single largest computer buyer, to buy only computer equipment that met energy-efficiency standards described under the government's Energy Star program, it set into motion a massive overhaul of the consumer market. Today, largely as a result of this increased demand, 95 percent of all monitors, 80 percent of computers, and 99 percent of printers sold in North America meet Energy Star standards. The study also credits government purchasing with spurring the rise of recycled paper to the level of "standard office supply."

Large corporations and environmental activists also have an impact. The report details a case involving retailer Home Depot. An aggressive campaign by the Rainforest Action Network aimed at pressuring Home Depot to stop buying wood and wood products from endangered forests, prompted the company to adopt a green purchasing policy in 1999. This, in turn, prompted other retailers to follow, as well as two of the nation's largest homebuilders. Within one year, vendors representing over 20 percent of the wood sold into the U.S. home remodeling market agreed to only buy wood from certified sustainably managed forests.

Building an Effective Environmentally Preferable Purchasing Program

In addition to identifying the organizational and global benefits of environmentally preferable procurement programs, the report identified common elements to the most successful programs. Governments and companies around the world are implementing environmentally conscious procurement policies. The most successful ones include the following.

- ! High-level support - If everyone involved with the program knows it enjoys support from the highest levels, whether the Director, Commander or Senior Manager, people are more likely to pay attention and make it successful. DoD and DLA's mandates come from the highest levels of government - executive orders, laws and regulations.
- ! Establish a clear policy with measurable goals - Knowing where you want to go and when you've arrived are key to a successful program and to being able to communicate success to outside audiences. The Environmental Reporting Logistics System (ERLS) provides monthly reports on the number of "green" items purchased by DLA. It's available at <http://www.dlis.dla.mil/erls.asp>
- ! Have a clear focus and start small - Focusing on a small number of items helps work out the details of the program, gives people confidence it can be successful and encourages support for doing more.
- ! Engage all stakeholders - Everyone has a role to play - purchasers, managers, suppliers, and end-users - so everyone must understand the importance of the program and their specific roles if the program is to be successful.
- ! Train purchasers - some institutions have developed detailed questionnaires to guide purchasers through the buying process. This level of interaction between DLA and customers occurs primarily through Customer Service Representatives. They are the link to where the rubber hits the road. DLA may also want to consider innovative ways of reaching customers, such as training courses on DVD.
- ! Implement pilot projects - having customers test new products in order to gain confidence that buying green doesn't mean buying inferior can boost sales. Such an approach for biobased products, particularly cleaners and lubricating fluids, may help jump start their acceptance.
- ! Offer incentives - awards programs go a long way toward exciting people about a program, and don't cost much to implement. They can be used to encourage not only individuals and organizations tasked with implementing the program, but with customers as well.
- ! Clearly highlight green products - EMALL uses the green tree to designate the environmentally preferable products, but what about legacy ordering systems? While not strictly "in DLA's lane", DLA may wish to consider working with the Services and other customers to facilitate visibility of the ENACs. Whether or not customers using legacy ordering systems can spot the green products affects sales.
- ! Pool your resources - By engaging in joint, or coordinated, purchasing activities, some institutions have found ways to lower costs and boost their bulk purchasing of green items. In 2001, the city of Chicago and 48 suburbs pooled their jurisdictional resources to buy a larger block of electricity at a reduced rate, and will use the savings to meet at least 20 percent of group power needs with renewable sources by 2006.
- ! Think beyond buying green - eliminating purchases by diverting used products to fill new orders saves money, resources and landfill space. DRMS finds new life for used products, but this idea is a new twist. Integrating DRMS into the product ordering system may be "out of the box", but may be worth considering. Many smaller organizations have applied the concept with great success, such as the University of Wisconsin-Madison's SWAP (Surplus With a Purpose).