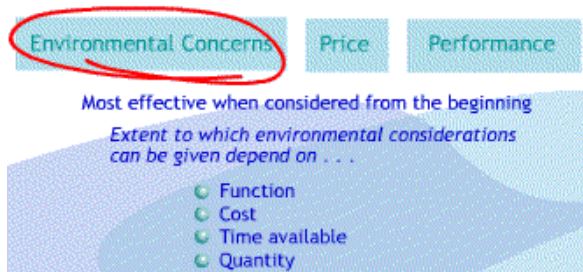


General Guidance for Environmentally Preferable Purchasing



Environmentally Preferable Purchasing Policy

Incorporating EPP into the Procurement Process

Environmentally preferable means "products or services that have a lesser or reduced effect on human health and the environment when compared with competing products or services that serve the same purpose." This comparison applies to raw materials, manufacturing, packaging, distribution, use, reuse, operation, maintenance, and disposal.

Incorporating environmental considerations into the City purchasing process does not require any significant changes to the traditional process. The only real difference with EPP is that you will incorporate environmental concerns into each step of the purchasing process, along with price and performance considerations. As with other purchasing considerations, EPP is most effective when it is considered from the very beginning of the purchasing process. Keep in mind that the attention given to environmental considerations may vary widely from product to product or service to service. The extent to which environmental considerations are examined will depend on the function, cost, available timeframe to make the purchase, and the quantity of the product or service being procured.

The procurement process typically involves these steps:

- Determining your needs and the product or service characteristics required to meet the need
- Conducting some preliminary market research
- Determining the procurement method
- Determining the most appropriate source for obtaining the product or service
- Evaluating the overall quality and value
- Making the final selection of the product or service and monitoring the progress

In each of these steps, you should involve people with the appropriate expertise. For example, if you are in a City agency and want to implement EPP, involve the procurement and environmental experts in the City. With the appropriate expertise, it will be easier to include environmental considerations in the purchasing process.

Now let's see where considerations for environmental performance could fit into each of these steps. With any City purchase, you will first:

Determine your needs and the product or service characteristics required to meet the need. What product or service is needed to accomplish the job? What should it be capable of doing? How much or how many of a product or service is needed to meet the need?

Work in this stage establishes a valid need for the product or service, the justification for purchase, and the authority for seeking the item. The environmental and human health considerations can and should be reflected as part of the need. When developing product requirements, include relevant environmental attributes such as maximum Volatile Organic Compound, or VOC standards, minimum recycled-content requirements, energy-efficiency standards, or lists of prohibited toxic materials.

When developing product requirements, include environmental attributes

- Maximum Volatile Organic Compound (VOC) standards
- Minimum recycled-content requirements
- Energy-efficiency standards
- Lists of prohibited toxic materials

Agencies are not required to include detailed and prescriptive product descriptions

Agencies are encouraged to describe performance levels sought by the user

With the City moving toward performance-based contracting, agencies are not required to include detailed and prescriptive product descriptions. Instead, they are encouraged to describe performance level sought by the user. Past performance should also be considered if historical information on a particular product or service is available. Within this context, remember

that good environmental performance often reflects good overall performance of products and services.

Conduct some preliminary market research.

Is the product or service available commercially? Is it available from multiple suppliers or manufacturers? What is a reasonable price?

What are the distinguishing environmental attributes?

Is it available containing recycled content?

Are there any indoor air quality concerns with the product?

Can it be upgraded in the future?

How durable is the product?

Are there any associated disposal hazards?

In conducting market research, include questions about the environmental aspects of the product or service. What are the distinguishing environmental attributes? Is it available containing recycled content? Are there any indoor air quality concerns with the product? How durable is the product? Can it be upgraded in the future? Are there any associated disposal hazards? Also, work with environmental experts in the City to help tailor the questions. In addition, check the [EPP Database](http://www.epa.gov/cpg/products.htm) (<http://www.epa.gov/cpg/products.htm>) of Environmental Information for Products and Services to find information about environmental attributes others have deemed important for a particular product or service category. The database is organized as a giant, searchable shopping mall of product and service-specific environmental information. This information is derived from domestic and international programs that have developed environmental standards, specifications, and guidelines.

Remember:
Don't eliminate any products or services from consideration based on price alone

Remember not to eliminate any products or services from consideration at this point based on price alone. A product or service with a lower initial price might cost more overall than an alternative product with a higher initial price when lifecycle costs such as maintenance or disposal costs are considered.

Determine the procurement method. Can I purchase the product or service using Delegated Purchasing? Do I need to develop a contract? Should it be a negotiated best-value procurement or a sealed-bid procurement? Should the Statement of Work be performance-based?

The procurement method depends on numerous factors such as cost, availability, and required timeframe. Different procurement methods present different challenges and opportunities for including environmental considerations. For example, a negotiated contract might provide greater flexibility in incorporating environmental considerations, whereas a sealed-bid procurement needs to express environmental attributes as a mandatory requirement. Where appropriate, it's important to build in evaluation criteria reflecting environmental performance of the product or service being purchased.

Procurement method factors:
 Cost
 Availability
 Required timeframe

Different procurement methods present different challenges and opportunities for including environmental considerations

The type of procurement method also determines who is involved in making the purchasing decision and, in the case of EPP, who is involved in incorporating the environmental concerns. It's generally a good idea to involve pertinent procurement and environmental staff throughout the procurement process.

Although use of the City Pcard has streamlined the purchasing process, Pcard users are not exempt from EPP requirements.

Determine the most appropriate source for obtaining the product or service. Can I get it from City Surplus? Do I need to purchase it new? Is this item available on existing city contracts? Can Purchasing locate the product or service in which I'm interested?

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The Purchasing Division is the procurement agency for the City. Purchasing acquires different kinds of products and services from a variety of supply sources, including mandatory source suppliers.

Need is established
 Marketplace availability determined
 The item can be acquired or reused

Government excess or surplus should always be the first source of supply

Once the need is established and marketplace availability determined, the item can be acquired (or reused) from existing City sources or through new purchases. As reuse is both environmentally sound and cost-effective, City Surplus should always be the first source of supply. Maximizing use of agency-owned property minimizes new purchases, which saves agency money

and the earth's resources.

Evaluate the overall quality and value. Which product or service reflects the highest quality for the most reasonable price?

Building environmental factors into the evaluation criteria in the previous stage, makes it easier to compare products and services based on environmental performance. Now it is just a matter of applying the criteria. In doing so, you may need to rely on the City's environmental experts to help interpret the product or service providers' responses to propose requests. Environmental attributes are an important indicator of the product's or service's overall quality when combined with more traditional factors such as product safety, price, and performance. Past environmental performance can be considered here as well if information is available. This should include a company's environmental track record. Remember to consider lifecycle costs in determining the most reasonable price.

Environmental considerations are an important part of overall quality

Post purchase monitoring ensures the product's environmental claim are being met

The ultimate goal of any city purchase is to obtain the highest quality product or service at the most reasonable price

Make the final selection of the product or service, and monitor the progress.

Environmental attributes are an important indicator of the product's or service's overall quality when combined with traditional factors

Consider past environmental performance as well

Remember to consider lifecycle costs in determining the most reasonable price

Selection of a preferred product, based on a best-value concept rather than the least initial cost, can and should include environmental considerations. The ultimate goal of any City purchase is to obtain the highest quality product or service at the most reasonable price.

Environmental considerations simply become an important part of the product's or service's overall quality. Post purchase monitoring is always important to ensure that the product or service provider is meeting the product's environmental claims.