



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

November 23, 2011

OFFICE OF FEDERAL
PROCUREMENT POLICY

The Honorable Collin Peterson
Ranking Member
Committee on Agriculture
U.S. House of Representatives
Washington, DC 20515

Dear Representative Peterson:

The enclosed report discusses the implementation of Section 6002 of the Resource Conservation and Recovery Act (RCRA), Pub. L. 94-580, and Section 9001 of the Food, Conservation, and Energy Act of 2008, Pub. L. 110-246, for fiscal years 2008 and 2009. These laws require that the Office of Federal Procurement Policy (OFPP) report to Congress biennially on agency compliance with requirements to buy recycled and biobased products. OFPP worked with the Office of the Federal Environmental Executive (OFEE), the U.S. Department of Agriculture (USDA), and other Federal agencies to develop this report.

The Administration has taken significant steps to reinforce the environmental stewardship tenets set forth in these statutes. In October 2009 the President issued Executive Order 13514, Federal Leadership in Environmental, Energy, and Economic Performance, which re-established energy efficiency and waste reduction goals for Federal agencies. Recently, the Federal Acquisition Regulatory Council issued an interim rule to further promote sustainable purchasing requirements. Additionally, USDA has achieved significant progress promoting the manufacture and sale of biobased products, and has designated 64 items for preferred procurement. These actions set the framework for the agencies' efforts, described in this report, to improve the government's environmental stewardship. OMB, with support from OFEE, continues to track agencies' progress toward meeting their sustainable purchasing and program goals.

Thank you for the opportunity to share information about agencies' efforts to strengthen their green purchasing practices. The initiatives described in the report build on previous achievements and provide a sound foundation for future progress.

Sincerely,

Daniel I. Gordon
Administrator

Enclosure

Identical Letter Sent to:

The Honorable Joseph I. Lieberman
The Honorable Susan M. Collins
The Honorable Debbie Stabenow
The Honorable Pat Roberts
The Honorable Barbara Boxer
The Honorable James M. Inhofe
The Honorable Darrell Issa
The Honorable Elijah Cummings
The Honorable Frank D. Lucas
The Honorable Collin Peterson

Report to Congress on Implementation of the
Resource Conservation and Recovery Act (RCRA),
Farm Security and Rural Investment Act of 2002
and the
Food, Conservation, and Energy Act of 2008

Prepared by

Office of Federal Procurement Policy
Office of Management and Budget

November 2011

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Executive Summary

Section 6002 of the Resource Conservation and Recovery Act (RCRA), Pub. L. 94-580, Section 9002 of the Farm Security and Rural Investment Act of 2002, Pub. L. 107-171, and Section 9001 of the Food, Conservation, and Energy Act of 2008, Pub. L. 110-246, establish requirements to promote the procurement of recycled and biobased products. Moreover, they require the Office of Federal Procurement Policy (OFPP) to coordinate implementation and to report biennially on federal agencies' compliance with the procurement policy set forth in the statutes. To further support the goals of sustainability, in October 2009 the President issued Executive Order (E.O.) 13514: Federal Leadership in Environmental, Energy, and Economic Performance, which established goals on energy efficiency, sustainable acquisition and waste reduction. These legislative and executive branch actions set the framework for the agencies' efforts, described in this report, to improve the government's implementation of statutory and executive order requirements, specifically related to acquisition.

A number of agencies take central leadership roles in furthering sustainable acquisition. For example, the Environmental Protection Agency (EPA) and the United States Department of Agriculture (USDA) designate products for preferred procurement. The Office of the Federal Environmental Executive (OFEE), which is within the Council on Environmental Quality (CEQ), and the Office of Management and Budget (OMB) coordinate implementation, track the procurement of designated items throughout the Federal government and evaluate agency progress through OMB Scorecards. OFPP within OMB collaborates with OFEE to report agency progress to Congress every two years. This report provides an overview of the implementation of statutory and Executive Order mandates including procurement of designated items during FY 2008 and FY 2009. Other relevant information for FY 2010 and FY 2011 is included in some sections.

Based on information reported to OFEE and OFPP, the agencies made significant progress during this reporting cycle. The sustainable acquisition practices of 22 agencies are summarized in Table 1. Based on the data reported, most agencies addressed sustainable acquisition in their policies and procedures. However, further progress could be made in areas such as program implementation, monitoring, identifying corrective actions and training. In addition, the procurement of EPA and USDA designated products as reported by the Department of Defense (DOD) and six large civilian agencies is included in this report. Based on the data reported, agencies had success procuring some designated items, such as paper, tissue products and diesel fuel additives. However, the procurement of other designated items could be improved. OMB and OFEE continue to work jointly with the agencies to improve implementation and compliance with both statutory and Executive Order acquisition mandates. Finally, the increase in the number of agencies achieving the green standard for success from OMB and OFEE on the 2008 and 2009 Environmental Stewardship Scorecards for green purchasing indicates steady progress. From January 2006 to January 2010, the number of agencies meeting the green standards for success on green purchasing increased from two to 18 agencies. During the same time, the number of agencies assessed as red for not meeting minimal requirements decreased from four to none.

Finally, OFPP and OFEE are implementing new processes, such as improving data collection through the Federal Procurement Data System (FPDS) and reviewing the agencies' annual Sustainability Plans, to reduce the reporting burden on the agencies while providing better insight into their activities and new initiatives. Recently, FPDS and the Product Service Code (PSC) manual were updated to collect information on purchases of biobased, energy efficient and environmentally preferable items. Continued management attention to sustainable acquisition practices is necessary as the Federal Government works to demonstrate leadership and reduce its environmental footprint.

New Federal Policy – Setting the Framework

Executive Order 13514 - Federal Leadership in Environmental, Energy, and Economic Performance

On October 5, 2009, President Obama issued E.O. 13514, Federal Leadership in Environmental, Energy, and Economic Performance, which builds on and expands the energy efficient and environmental requirements of the January 2007 E.O. 13423 - Strengthening Federal Environmental, Energy, and Transportation Management. President Obama's E.O. 13514 makes reduction of greenhouse gas emissions a priority of the Federal government, requires agencies to develop sustainability plans for cost-effective projects and programs, and sets specific energy, water, and waste reduction targets. Of particular interest to the acquisition community is the goal of having 95% of all applicable new contract actions meet sustainable purchasing requirements, which are described in more detail below.

OFEE, within the Council on Environmental Quality (CEQ), works in close partnership with OMB and the agencies, to help monitor how agencies are implementing their sustainability plans generally and the progress they are making toward meeting the 95% goal.

Changes to the Federal Acquisition Regulation

Pursuant to the E.O., the Federal Acquisition Regulation (FAR) is being revised¹ to require that 95% of new contract actions be energy-efficient, water-efficient, biobased, environmentally preferable, non-ozone depleting, contain recycled content, or are non-toxic or less toxic alternatives, provided that these products and services meet agency performance standards. The contract actions include task and delivery orders for products and services with the exception of the acquisition of weapon systems. Federal agencies are also required to design, construct, maintain and operate high-performance sustainable buildings in sustainable locations.

In a separate action, the FAR is being revised² to expand the existing requirement that Federal agencies procure designated items composed of the highest percentage of biobased content

¹ FAR Case 2010-001, 76 Fed. Reg., 31395 (May 31, 2011) <http://www.gpo.gov/fdsys/pkg/FR-2011-05-31/pdf/2011-12851.pdf>

² FAR Case 2010-004, 76 Fed. Reg., 41179 (July 13, 2011) <http://www.gpo.gov/fdsys/pkg/FR-2011-07-13/pdf/2011-17453.pdf>

practicable. As proposed, the rule will require contractors to report the biobased products purchased under service and construction contracts. Agencies may continue to use a waiver process if the biobased products are not reasonably priced or readily available or do not meet specified or reasonable performance standards.

Both of these changes will further promote sustainable acquisition practices in Federal agencies and help agencies meet the statutory and Executive Order mandates.

Federal Agency Progress

In general, Federal agencies are required by statute to establish and implement policies and procedures for sustainable acquisition through the preferential procurement of EPA-designated products and the procurement of USDA-designated biobased products. The following analysis evaluates progress in these areas. The analysis is based on manual self-reported agency information, as changes to automate the data collection process for some of this information are ongoing.

Sustainable Acquisition

Table 1 provides information on the sustainable acquisition practices of 22 Federal agencies against seven criteria, which are further defined in Table 2. Overall, Federal agencies have demonstrated significant progress implementing sustainable acquisition practices. Most agencies have the required written formal Affirmative Procurement Program (APP) or Green Purchasing Plan (GPP) in place and are procuring federally designated green products including biobased, recycled and Environmentally Preferable Products (EPP).

Sustainable Acquisition Highlights

- 22 of 22 agency policies addressed green purchasing requirements (see the “Agency Policy or GPP Responsibilities” column).
- 21 of 22 agencies purchased designated products (see the “Promoting Designated Products” column).
- 21 of 22 agencies addressed green products and services in their plans, policies or procedures (see the “APP/GPP Requirements in Plans/Policies/Procedures” column).

Table 1: Sustainable Acquisition Practices³

Agency	Promoting Designated Products	APP/GPP Requirements in Plans/ Policies/ Procedures	Agency Policy or GPP Responsibilities	Program Implementation	Leadership and Recognition	% Who Received GPP Training (Acquisition Personnel/ Purchase Cardholders)	Program Management Review
DHS	Y	Y	Y	Y	Y	55%/0%	Y
DOC	Y	Y	Y	Y	Y	21%/100%	Y
DOD	Y	Y	Y	Y	Y	14%/40%	Y
DOE	Y	Y	Y	Y	N	6%/50%	Y
DOI	Y	Y	Y	Y	N	53%/50%	Y
DOJ	Y	Y	Y	Y	N	47%/18%	N
DOL	Y	Y	Y	Y	N	~50%/<20%	N
DOT	Y	Y	Y	Y	Y	N.A./100%	N
ED	N	Y	Y	Y	N	16%/29%	N
EPA	Y	N.R.	Y	Y	N	30%/49%	Y
GSA	Y	Y	Y	N	N	51%/88%	Y
HHS	Y	Y	Y	Y	Y	38%/92%	N
HUD	Y	Y	Y	Y	N	88%/N.A.	Y
NASA	Y	Y	Y	Y	Y	80%/78%	Y
OPM	Y	Y	Y	N	N	100%/100%	N
SSA	Y	Y	Y	N	N	19%/100%	N
State	Y	Y	Y	Y	N.R.	N.R.	N.R.
Treasury	Y	Y	Y	Y	Y	IRS - 72%/51% FMS - 62%/51%	Y
TVA	Y	Y	Y	N	N	100%/100%	N
USDA ⁴	Y	Y	Y	Y	Y	N.A./100%	Y
USPS	Y	Y	Y	Y	Y	N.A./100%	Y
VA	Y	Y	Y	Y	Y	79%/68%	Y

³ Detailed notes on agency progress can be found in Appendix 1. The data was reported on January 15, 2010 and reflects FY 2009 data. “Y” stands for “Yes” and indicates the agency met the requirement. “N” stands for “No” and indicates the agency did not meet the requirement. “N.A.” stands for “Not Available” and indicates the agency submitted a report, but the data was not available. “N.R.” stands for “Not Reported.”

⁴ USDA conducted outreach to at least 4,000 acquisition personnel, but the total number of procurement officials is not known so a percentage could not be calculated.

Table 2: Evaluation Criteria for Sustainable Acquisition Practices⁵

Criteria	Definition
Promoting Designated Products	The agency purchased most of the following selected EPP products/services in FY 09: Green janitorial products/services, green conference or meeting services, carpet, and low Volatile Organic Compound (VOC) paints.
APP/GPP Requirements in Plans/Policies/Procedures	The agency addressed most of the following GPP products/services in their plans, policies, or procedures: EPA-designated recycled content products; ENERGY STAR products, energy efficient products, and low standby devices; biobased and USDA-designated BioPreferred products; Environmentally Preferable Products (EPP) and services; renewable energy; WaterSense and other water-efficient products; EPEAT-registered products; non-ozone depleting substances (ODSs) and/or those covered by EPA's Significant New Alternatives Policy (SNAP) program (chemicals and/or equipment); and alternative fuel vehicles and alternative fuels.
Agency Policy or GPP Responsibilities	The agency policy or green purchasing plan addressed the following responsibilities: Conducting awareness training; incorporating green purchasing requirements into specifications and contracts; establishing and measuring progress toward green purchasing objectives; reporting progress; management review; and routinely updating the green purchasing plan, policies, or procedures.
Program Implementation	The agency has addressed most of the following GPP areas: using, or planning to use, acquisition forecasts to promote its preference for green products; using, or planning to use, model solicitation and/or contract language to promote its preference for green products; using formal facility or organizational Environmental Management System (EMS) to meet the statutory and executive order requirements to purchase green products and services; formally promote incorporating green purchasing into EMS; having an on-line or manual system for tracking purchases of green products and services; having a contract writing system or enterprise revising asset management system to incorporate the supply and use of green products; requiring the description in FedBizOpps to highlight that the acquisition includes a requirement for green products or services.
Leadership and Recognition	The agency has addressed most of the following GPP leadership/recognition efforts: awards for implementing or increasing green or sustainable purchasing; agency officials have green or sustainable purchasing standards in their performance standards; there is a designated person responsible for conducting training of agency personnel with respect to the green purchasing requirements; there is a designated person to provide training to purchase cardholders; green purchasing training has been added to all appropriate training, including training provided by contractors. The agency used most of the following approaches for reviewing facility/agency-wide compliance with green purchasing requirements: Conducting and documenting contracting and/or environmental reviews for green purchasing compliance; reporting findings to senior facility or agency management; performing trend analysis of program management reviews, training, and FPDS data to assess green purchasing program effectiveness; reporting results to senior facility or agency management who will track corrective actions.
% Who Received GPP training (Acquisition Personnel/ Purchase Cardholders)	The first number represents the percentage of acquisition personnel who received GPP training. The second number represents the percentage of purchase card holders who received GPP training.
Program Management Review	The agency reviewed facility and agency-wide compliance with the green purchasing requirements. The findings were reported to senior facility or agency management. Trends in program management reviews, training, and FPDS data were analyzed to assess green purchasing program effectiveness. The results were reported to senior facility or agency management, as appropriate. Corrective actions were identified and tracked by senior facility management.

⁵ The criteria are based on the requirements of Section 6002 of RCRA, Section 9002 of the Farm Security and Rural Investment Act, E.O. 13423 and E.O. 13514.

Procurement of EPA-Designated Products

As required by RCRA, EPA designated numerous products for preferred procurement. In order to provide an indication of the Federal government's progress purchasing EPA-designated products, the six civilian agencies with the greatest amount of contract obligations in FY 2010 were evaluated. The results are shown in Table 3.

Most cells in Table 3 contain two percentages. The first number represents agency purchases in FY 2008. The second number represents agency purchases reported in FY 2009. For example, the "78%/76%" in the tissue products cell in the DOE column means the following:

In FY 2008, 78% of the tissue products purchased by DOE contained recycled materials.⁶ In FY 2009, 76% of the tissue products purchased by DOE contained recycled materials.

In addition to the civilian agency procurement identified in Table 3, the Defense Logistics Agency (DLA) makes purchases on behalf of its external customers as part of its consumable item support mission, including toner cartridges and engine lubrication oil. DLA reported 100% of these purchases contained recycled material in both FY08 and FY09. DoD does not have an automated system to track the purchases of EPA-designated products purchased outside of DLA or GSA.

FY 2009 Highlights

Recycled material was contained in –

- At least 76% of tissue products purchased by all six civilian agencies.
- At least 30% of all EPA-designated products purchased by DOE.
- 100% of landscaping timbers purchased by DHS.
- 100% of tissue products and 100% of engine lubricating oil purchased by HHS.

⁶ As defined by the Comprehensive Procurement Guidelines (CPG).

Table 3: Civilian Agency Procurement of EPA-Designated Products
 (% of agency total purchases measured in dollars reported to contain recycled material in FY08/09)⁷

EPA-Designated Product	DOE	NASA	GSA	VA	DHS	HHS
Tissue products	78%/76%	71%/97%	96%/88%	77%/90%	28%/92%	71%/100%
Toner cartridges	44%/48%	73%/69%	8%/17%	56%/55%	22%/6%	0%/16%
Landscaping timbers	63%/30%	65%/0%	N.A./N.A.	24%/22%	7%/100%	0%/0%
Park benches or picnic tables	84%/72%	39%/38%	72%/92%	72%/85%	22%/8%	0%/0%
Traffic barricades	100%/76%	8%/9%	15%/17%	50%/26%	3%/22%	N.A./N.A.
Engine lubricating oil	42%/47%	39%/34%	N.R./28%	8%/31%	28%/19%	0%/100%
Signage	37%/49%	59%/56%	10%/38%	37%/36%	1%/5%	1%/0%

⁷ “N.A.” stands for “Not Available” and indicates that the agency responded to the request for data, but the information was not available. “N.R.” stands for “Not Reported.”

Procurement of USDA-Designated Biobased Products

As required by the Food, Conservation, and Energy Act of 2008, USDA has designated 8,900 products in 64 categories as of August 15, 2011. In order to provide an indication of the Federal government's progress in purchasing USDA-designated products, six large civilian agencies were evaluated. The results are shown in Table 4. Since USDA began designating items in 2007, the first full year agencies were required to report was 2008.

Each cell in Table 4 contains two entries. The first entry indicates whether or not the agency purchased the biobased product in FY 2008. The second entry indicates whether or not the agency purchased the biobased product in FY 2009.

FY 2009 Highlights

In the six USDA-designated categories, biobased products were purchased to fulfill requirements for –

- Diesel fuel additives and penetrating lubricants at five of the six civilian agencies surveyed.
- All six designated products at the VA.
- Five of six designated products at DOE.

Within the military, DLA reported the purchase of four types of biobased products (mobile equipment hydraulic fluid, diesel fuel additives, penetrating lubricants and roof coatings), the Marine Corps reported the purchase of three types (mobile equipment hydraulic fluid, diesel fuel additives and penetrating lubricants) and the Navy reported the purchase of two types (mobile equipment hydraulic fluid and diesel fuel additives) in FY 2009. The Marine Corps also reported the purchase of four types (mobile equipment hydraulic fluid, diesel fuel additives, penetrating lubricants and bedding/bed linens/towels) and the Navy reported the purchase of three types (mobile equipment hydraulic fluid, diesel fuel additives and penetrating lubricants) in FY 2008.

Without an automated system in DOD to track purchases at the installation or lower command level, data collection remains a challenge. Consequently, information about other types of biobased purchases is either unknown or unavailable. Once data collection methods are improved, more information will be available. Enhancements to FPDS, such as new codes for environmentally preferable products, are expected to assist agencies with sustainable acquisition reporting.

Table 4: Civilian Agency Procurement of Biobased Products
 (Did the agency purchase the biobased product in FY 08/09? Y/N)⁸

USDA-Designated Biobased Product	DOE	NASA	GSA	VA	DHS	HHS
Mobile equipment hydraulic fluid	Y/Y	Y/N	N/Y	Y/Y	Y/Y	N/N
Diesel fuel additives	Y/Y	N/Y	N/Y	Y/Y	Y/Y	N/N
Penetrating lubricants	Y/Y	Y/Y	N/Y	Y/Y	Y/Y	Y/N
Roof coatings	Y/Y	N/N	N/Y	Y/Y	N/Y	N/N
Water tank coatings	N.A./N.A.	N.A./N.A.	N/N	Y/Y	N/N	N/N
Bedding/bed linens/towels	Y/Y	N/Y	N/N	Y/Y	N/Y	N/N

⁸ “Y” indicates that the product was purchased directly or as part of a support services contract including purchases made from General Services Administration (GSA) Multiple Award Schedule (MAS) vendors. “N” indicates the product was not purchased. “N.A.” means the agency responded, but the data was not available.

OMB Scorecards

Between 2006 and 2009, OFEE and OMB used the Environmental Stewardship Scorecard to track agencies' progress in green purchasing. The scorecard covered a wide range of issues including progress implementing agencies' GPPs. Overall, we believe the Federal agencies made significant progress, due to OMB emphasis on the scorecard, and other assistance provided.

To make continuous improvement in government-wide green purchasing and compliance, OFEE and OMB re-established an interagency working group, the Sustainable Acquisition and Materials Management (SAMM) working group which meets monthly to address related issues and questions and educate agencies about new opportunities, such as pilots or new product designations. For agencies that struggle to make progress or remain red in too many status goal areas, OFEE and OMB meet with agency senior sustainability officers and their staff to share best practices, address challenges and provide assistance to help them achieve goals.

In January 2006, only two agencies achieved the green standard for success on the scorecard. Four years later, 18 agencies fulfilled the requirements for green. Table 5 summarizes agency progress from January 2006 to January 2010, based on fiscal year data from FY2005-2009. The rating criteria are shown in Tables 6, 7 and 8.

Table 5: OMB Scorecards for Environmental Stewardship⁹

Agency	Green Purchasing Score		
	January 2006	January 2008	January 2010
DHS	Yellow 	Yellow 	Yellow 
DOC	Yellow 	Yellow 	Green 
DOD ¹⁰	Yellow 	Green 	Green 
DOE	Green 	Green 	Green 
DOI	Yellow 	Red 	Green 
DOJ	Yellow 	Yellow 	Yellow 
DOL	Red 	Yellow 	Green 
DOT	Yellow 	Yellow 	Green 
ED	Red 	Red 	Green 
EPA	Yellow 	Yellow 	Green 
GSA	Yellow 	Red 	Yellow 
HHS	Yellow 	Green 	Green 
HUD	Yellow 	Yellow 	Green 
NASA	Green 	Green 	Green 
OPM	Yellow 	Green 	Green 
SSA	Yellow 	Yellow 	Green 
State	Yellow 	Green 	Yellow 
Treasury	Yellow 	Green 	Green 
TVA	Yellow 	Yellow 	Green 
USDA	Red 	Yellow 	Green 
USPS	Red 	Yellow 	Green 
VA	Yellow 	Green 	Green 

Table 6: Environmental Stewardship Standard for Success on Green Purchasing, 2006

Rating	Criteria
Green	The agency has a comprehensive, written Green Purchasing Plan (GPP) that includes recycled content products, Energy Star/Energy Efficient (EE) products, biobased products, and Environmentally Preferable Products (EPP); demonstrates compliance in representative acquisitions; audits compliance annually; and develops corrective action plans to address shortcomings in the GPP preference program.
Yellow	The agency has a GPP for recycled content, biobased, and environmentally preferable products and includes requirements for recycled and biobased products in a representative sample of acquisitions (e.g., construction, operations and maintenance, office supplies, etc.).
Red	The agency has no GPP or only has a GPP for recycled content products and/or cannot demonstrate inclusion of green products in acquisitions.

⁹ Agencies were selected based on the size of their procurement programs and their potential impact on government-wide sustainability efforts.

¹⁰ The rating reflects DOD's performance against scorecard criteria which is different than the agency's performance procuring EPA and USDA designated products as described in the previous section.

Table 7: Environmental Stewardship Standard for Success on Green Purchasing, 2008

Rating	Criteria
Green	The agency has a comprehensive, written Affirmative Procurement Program (APP) that includes all green products and services covered in EO 13423; demonstrates compliance in representative acquisitions (e.g., construction, operations and maintenance, office supplies); monitors compliance annually; develops corrective action plans to address shortcomings and conducts training.
Yellow	The agency has an APP for all green products and services covered in EO 13423; and can demonstrate compliance in representative acquisitions (e.g., construction, operations and maintenance, office supplies, janitorial).
Red	The agency has no APP or only has an APP for some products and/or cannot demonstrate inclusion of requirements for green products in representative acquisitions.

Table 8: Environmental Stewardship Standard for Success on Green Purchasing, 2010

Rating	Criteria
Green	The agency has a comprehensive, written Affirmative Procurement Program (APP) that includes all green products and services covered in EO 13423; demonstrates compliance in representative acquisitions (e.g., construction, operations and maintenance, office supplies); monitors compliance annually; develops corrective action plans to address shortcomings; and conducts training.
Yellow	The agency is developing methods to monitor compliance, taking corrective action and/or conducting training.
Red	The agency has no APP or only has an APP for some products and/or cannot demonstrate inclusion of requirements for green products in representative acquisitions.

USDA Initiatives: The BioPreferred Program

USDA achieved significant progress implementing legislative requirements and Federal policy for biobased products during the FY 2008-2009 reporting period and in FY 2010-2011. The achievements include the designation of 64 items for procurement preference, a product labeling program, and training for acquisition personnel.

BioPreferred Program Implementation and Reporting Efforts

Section 9002 of the Farm Security and Rural Investment Act (2002 Farm Bill) and Section 9001 of the Food, Conservation, and Energy Act (2008 Farm Bill) directed the establishment of a biobased markets program. The objective of the program is to promote the manufacture and sale of biobased products.¹¹ The program has two components: a Federal procurement preference for biobased products to stimulate the government marketplace, and a voluntary label to stimulate the commercial marketplace. USDA refers to these two program elements collectively as the BioPreferred program. Procurement of biobased products is one component of the sustainable acquisition program under Executive Order 13514.

Federal Procurement Preference Program

After USDA identifies biobased product categories for potential designation, it tests and evaluates biobased products within those categories and establishes minimum biobased content for each category based on the testing and evaluation. The categories are then designated, by regulation, for preferred Federal procurement. Once product categories are designated, Federal agencies have one year to implement procurement preferences for both direct product purchases and for service contracts involving use of those product categories. Therefore, the deadline to begin procurement of the six items from Round 1 was April 17, 2008.

Round	No. Items	Publication Date	Procurement Preference Effective Date
1	6	7/5/2005	4/17/2007
2	9	8/17/2006	5/14/ 2009
3	10	8/17/2006	5/14/ 2009
4	8	10/11/2006	5/14/ 2009
5	9	10/27/ 2009	10/27/2010
6	8	10/18/2010	10/18/2011
7	14	7/22/2011	7/22/2012

Through seven rounds of published regulations, USDA has designated 64 biobased product categories (called items) as indicated in Exhibit 1. An eighth round is currently in the clearance process to designate an additional 16 product categories. For the list of designated product categories, see www.biopreferred.gov/ProposedAndFinalItemDesignations.aspx. Of the 26,000 biobased products currently on the market, over 8,900 have been designated under the

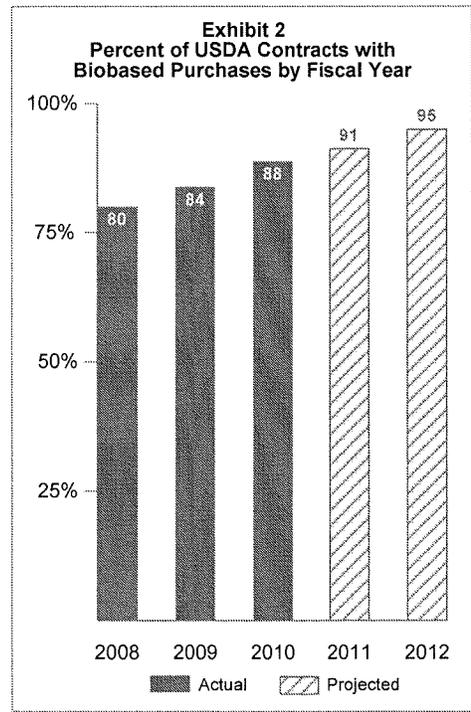
¹¹ Products other than fuels are considered biobased if they are composed wholly or significantly of biological ingredients – renewable plant, animal, marine or forestry materials. As defined in the 2008 Farm Bill, a biobased product is a “product determined by the Secretary to be a commercial or industrial product (other than food or feed) that is composed, in whole or in significant part, of biological products, including renewable domestic agricultural materials and forestry materials, or an intermediate ingredient or feedstock.”

BioPreferred program because they meet or exceed minimum USDA-established biobased content levels and are available from multiple sources.

Accountability Yields Measurable Results

As the lead Federal agency for the BioPreferred program, USDA has taken measures in three areas to track progress and increase the acquisition of biobased products through direct purchase and in service contracts: (1) incorporation of biobased data elements into the Department’s Integrated Acquisition System, (2) monitoring solicitations in FedBizOpps, and (3) inclusion of biobased data in procurement forecasting.

Integrated Acquisition System. In 2008, USDA inserted two biobased elements into its Department-wide procurement system, the Integrated Acquisition System (IAS). It is the first agency to add biobased data elements into a contract writing system to better capture data on contracts that contain biobased requirements. Exhibit 2 illustrates the percentage of USDA contracts specifying the purchase of biobased products by year. The BioPreferred program projects compliance with the 95 percent sustainable acquisition goal of Executive Order 13514 for biobased products in FY 2012.



All 446 contracts in the IAS were reviewed for compliance with the requirement to include the biobased clause. The total value of the contracts was \$64,372,410 and the review period was from March 2007 to June 2010. The review determined that contract clauses for biobased purchases were included in 85% of the contracts.¹² The total dollar value of the contracts with the biobased clauses was \$62,602,762, though this may not represent the value of biobased products purchased as they may only be part of the contract. In addition to tracking the inclusion of contract clauses, USDA plans to develop mechanisms for more closely tracking the dollar value of biobased purchases.

Federal Business Opportunities. FedBizOpps is the central portal where all government-wide contracts over \$25,000 are posted. In October 2008, USDA BioPreferred staff began reviewing all USDA janitorial, construction, and Operations and Maintenance (O&M) solicitations to ensure that biobased clauses were inserted in the contracts for those solicitations. These types of contracts were selected for two reasons: (1) janitorial, construction, and O&M contracts represent a significant portion of procurement spending and contract actions and (2) there are many USDA designated biobased products that can be used in a cost-effective and quality manner with these types of contracts.

¹² Since the contract review spanned FY 2007 to FY 2010, the figure 85% is not associated with any of the fiscal years shown in Exhibit 2.

If reviewed solicitations did not contain the biobased clauses, BioPreferred staff conducted targeted outreach with applicable points of contact (POCs) for those solicitations. The objective was to increase POC awareness so that their subsequent performance on future solicitations would be positively affected. The impact of these reviews on the percentage of USDA contracts specifying the purchase of biobased products is shown in Exhibit 2. Program staff continues to review USDA's FedBizOpps listings to determine if solicitations in selected areas such as janitorial, construction, and O&M meet biobased requirements. If biobased requirements are not included in these solicitations, procurement personnel are contacted for follow up.

Procurement Forecasts. Procurement forecasts prepared by individual USDA agencies and staff offices can be used to identify contract opportunities under which biobased products could be supplied or used. The USDA FY 2008 Procurement Forecast was the first one with a product description that includes biobased products and an indication of whether or not they are included in requirements.

Awareness Training and Outreach to USDA and Other Agencies

A key component of the BioPreferred program's success is awareness training. USDA developed an online training course that explains designated product categories. In FY 2010, the training was posted to AgLearn, USDA's online training program. To export USDA's leading practices to other agencies, BioPreferred staff provided training to approximately 5000 Federal acquisition personnel on the procurement preference and new label with the "FP" designation (see the next section for more information about the "FP" designation) at the GSA Expo in San Diego and the Smartpay conference for government purchase card holders. Letters from Secretary Vilsack to 20 Cabinet Secretaries in April 2010 urged agency Chief Acquisition Officers to support the BioPreferred program both through purchases and service contracts. Sample contract templates to assist procurement officials are posted on the BioPreferred web site. (www.biopreferred.gov/Procurement_Resources.aspx)

Launch of Voluntary Labeling Program



In February 2011, the BioPreferred program launched a voluntary product labeling program, in which companies and vendors may obtain a certified biobased label for qualified products and packaging (see image at left). As of June 2011, USDA had received over 600 product applications and granted certification to use a USDA label for 120 products.

The label identifies biobased products for Federal procurement, as well as for the consumer market. On products that have been qualified for the Federal procurement preference as well as certified for the label, the product's label has a distinctive "FP" in the lower left corner to alert government acquisition officials of the products' special status for preferred procurement over similar products without the procurement preference. The General Services Administration (GSA) is using the graphic portion of the label in GSA Advantage!, its online ordering system.

Looking Forward

While significant progress has been achieved, further progress can be made with targeted management focus from the agencies. OFPP and OFEE/CEQ are committed to continued monitoring and evaluation of agency implementation of statutory and executive order mandates for sustainable acquisition. Moving forward, the reporting process for this biennial report will align more closely with the existing process led by OFEE/CEQ and OMB for reviewing and approving agencies' annual Sustainability Plans and the assessment of sustainable acquisition efforts through OMB's new Sustainability/Energy Scorecard and updates to Federal Procurement Data System (FPDS) reporting capabilities. This should streamline and reduce the manual reporting burden on agencies yet provide additional insight into the agencies' overall sustainable practices and the role of sustainable acquisition in that process.

To further improve data collection and help agencies assess their results, OMB worked with the General Services Administration's Integrated Acquisition Environment to make changes to the FPDS that allow agencies to better capture key environmental attributes. FPDS now includes Product Service Codes with designations for biobased, energy-efficient, and environmentally preferable products. These changes went into effect on October 1, 2011. While some data still needs to be collected manually as agencies transition their contract writing systems to support these changes, this is a critical first step in improving the information agencies can use to assess and improve their sustainable acquisition compliance.

Finally, the Federal Acquisition Institute offers training for acquisition professionals on the policies, requirements, and best practices for purchasing sustainable products and services. For example, the 'Green Purchasing for Civilian Acquisition' course identifies green products and services, describes the benefits of green purchasing, and demonstrates the application of sustainable acquisition policies. In general, acquisition professionals with green purchasing training such as this will be better able to contribute to their agency's sustainable acquisition goals.

Appendix 1: Notes on Agency Progress in Sustainable Acquisition

The following notes were taken from agency reports submitted to OFEE.¹³ The notes provide detailed information about agency practices summarized in Table 1. Agencies now provide this detailed information on their sustainable acquisition practices in annual Strategic Sustainable Performance Plans, which are available to the public. The 2010 Sustainability Plans can be found at <http://www.whitehouse.gov/administration/eop/ceq/sustainability/plans>

Agency	Notes
DHS	Program Implementation: Neither DHS's contract writing system nor enterprise asset management system has been revised to incorporate the supply and use of green products.
DOC	Promoting EPP Products: Agency did not purchase green conference or meeting services in 2009. Program Implementation: Commerce does not have an on-line manual system for tracking purchases of green products, does not use a contract writing system to incorporate the supply and use of green products, and does not require the description in FedBizOpps to highlight potential offerors or bidders with products which include green products or services. Leadership and Recognition: Agency contracting officials do not have green/sustainable purchasing standards in their performance standards.
DOD	Leadership and Recognition: Agency contracting officials do not have green/sustainable purchasing standards in their performance standards. % Who Received GPP Training: Data is available only for DLA, no other branches of DOD reported tracking percentages.
DOE	Leadership and Recognition: Only DOE environmental and energy managers have green or sustainable purchasing standards in their performance standards.
DOI	Leadership and Recognition: Agency officials do not have green/sustainable purchasing standards in their performance standards.
DOJ	Program Implementation: DOJ does not use acquisition forecasts to promote its preference for green products. Leadership and Recognition: The agency has an awards program. Program Management Review: Only the FBI reports findings and trends to senior management and uses that information to take corrective actions.
DOL	Leadership and Recognition: Agency officials do not have green/sustainable purchasing standards in their performance standards. Program Management Review: DOL reports findings to senior facility or agency management as appropriate.
DOT	Promoting EPP Products: Agency did not purchase green conference or meeting services in 2009. Program Implementation: DOT does not have an on-line or manual system for tracking purchases of green products and services, nor has the contract writing system or enterprise asset management system been revised to incorporate the supply and use of green products.
ED	Program Implementation: Education does not use a contract writing system or enterprise asset management system to incorporate supply and use of green products. Use of model solicitation and/or contract language to promote preference for green products, use of formal facility or organizational EMS to meet statutory and executive order requirements to purchase green products and services, and formally promoting incorporating green purchasing into EMS do not apply to Education. Leadership and Recognition: Only ED vehicle fleet managers have green or sustainable purchasing standard in their performance standards. Program Management Review: Education only reports findings on green purchasing to senior facility or agency management as appropriate.
EPA	Leadership and Recognition: Only EPA senior agency officials and contracting officials have green or sustainable purchasing standards in their performance standards.

¹³ The reports were submitted on January 15, 2010 and reflect FY 2009 data.

Agency	Notes
GSA	<p>Program Implementation: GSA is using or planning to use acquisition forecasts to promote preference for green products, is using or planning to use model solicitation and/or contract language to promote its preference for green products, and does formally promote incorporating green purchasing into EMS.</p> <p>Leadership and Recognition: Only GSA contracting officials have green or sustainable purchasing standards in their performance standards.</p> <p>Program Management Review: GSA does not use trend analysis of program management reviews, training, and FPDS data to assess green purchasing program effectiveness, nor do senior facility management track corrective actions from findings.</p>
HHS	<p>Program Implementation: At the end of the reporting period (FY 2009), HHS, like many agencies, did not have an automated system for tracking environmental purchases, and did not generally include green product preference information in its acquisition forecasts. However, during FY 2012, the agency plans to track environmental purchases with the Departmental Contract Information System.</p>
HUD	<p>Promoting EPP Products: Agency did not purchase green conference or meeting services in 2009.</p> <p>Leadership and Recognition: Only HUD's environmental and energy managers and contracting officials have green or sustainable purchasing standards in their performance standards. HUD does not have an awards program internal to the agency (although they do participate in the White House Closing the Circle award program).</p>
NASA	<p>Program Implementation: NASA does not require a description in FedBizOpps to highlight potential offerors or bidders that the acquisition includes a requirement for green products or services.</p> <p>Leadership and Recognition: Agency Facility managers and contracting officials do not have green or sustainable purchasing requirement in their performance standards.</p>
OPM	<p>Promoting EPP Products: Agency did not purchase green conference or meeting services in 2009.</p> <p>GPP Requirements in Plans/Policies/Procedures: OPM policy does not address WaterSense and other water-efficient products.</p> <p>Agency Policy or GPP Responsibilities: OPM has not established and measured progress toward green purchasing objectives, does not report progress, and does not routinely update the green purchasing plan, policies, or procedures. OPM will be incorporating these requirements into the next revision of the policy.</p> <p>Program Implementation: OPM has a contract writing system or enterprise asset management system which incorporates the supply and use of green products.</p> <p>Leadership and Recognition: OPM senior agency officials, facility managers, and environmental and energy managers do have green/sustainable purchasing standards in their performance standards.</p> <p>Program Management Review: OPM reports findings to senior facility or agency management as appropriate.</p>
SSA	<p>GPP Requirements in Plans/Policies/Procedures: SSA GPP requirements do not address renewable energy.</p> <p>Agency Policy or GPP Responsibilities: When data was collected for this report, SSA policy did not cover establishing and measuring progress toward green purchasing objectives or reporting progress.</p> <p>Program Implementation: SSA does use or plan to use acquisition forecasts to promote its preference for green products.</p> <p>Leadership and Recognition: Only SSA senior agency officials and environmental/energy managers have green/sustainable purchasing standards in their performance standards. SSA awards the Environmental Achievement award for implementing or increasing green/sustainable purchasing.</p>
State	<p>Program Implementation: The agency does not have an on-line or manual system for tracking purchases of green products and services and they do not require the description in FedBizOpps to highlight potential offerors or bidders that include a requirement for green products or services.</p>
Treasury	<p>Program Implementation: The agency does not have an on-line or manual system for tracking purchases of green products and services and they do not require the description in FedBizOpps to highlight potential offerors or bidders that include a requirement for green products or services.</p> <p>Leadership and Recognition: Treasury does not have an awards program for implementing or increasing green or sustainable purchasing.</p>
TVA	<p>Program Implementation: TVA uses or is planning to use acquisition forecasts to promote its</p>

Agency	Notes
	preference for green products and has an online or manual system for tracking purchases of green products and services. Leadership and Recognition: The agency has an awards program.
USDA	Leadership and Recognition: Facility managers and contracting officials do not have green or sustainable purchasing standards in their performance standards.
USPS	None
VA	None

Appendix 2: Abbreviations

CEQ	Council on Environmental Quality
DHS	Department of Homeland Security
DLA	Defense Logistics Agency
DOC	Department of Commerce
DOD	Department of Defense
DOE	Department of Energy
DOI	Department of the Interior
DOJ	Department of Justice
DOL	Department of Labor
DOT	Department of Transportation
ED	Department of Education
EPA	Environmental Protection Agency
FMS	Financial Management Service
GSA	General Services Administration
HHS	Department of Health and Human Services
HUD	Department of Housing and Urban Development
IRS	Internal Revenue Service
NARA	National Archives and Records Administration
NASA	National Aeronautics and Space Administration
OFEE	Office of the Federal Environmental Executive
OFPP	Office of Federal Procurement Policy
OMB	Office of Management and Budget
OPM	Office of Personnel Management
SI	Smithsonian Institution
SSA	Social Security Administration
State	Department of State
Treasury	Department of the Treasury
TVA	Tennessee Valley Authority
USACE	United States Army Corps of Engineers
USDA	United States Department of Agriculture
USMC	United States Marine Corps
USPS	United States Postal Service
VA	Department of Veterans Affairs