Background

In 2008, The Keystone Center launched the Green Products Roundtable, a voluntary, multi-stakeholder forum, with the goal of bringing further clarity to the green products marketplace.

Green Products Roundtable Participants
Background

How to define a green product?
Background

Roundtable Work Products

Green Purchasing Lexicon
Guidance for Identifying Credible Green Claims
Guidance for FTC Green Guides
Framework for Prioritization
Business Plan

SUSTAINABLE PURCHASING LEADERSHIP COUNCIL
## Background

### Prioritization Framework

#### GPR PRIORITIZATION FRAMEWORK for Sustainable Purchasing v1.0

**1 CALCULATE**
- **Purchasing Spending per category** × **Intensity per category** = **Impact per category**
  - Impact per category is a product of total spending multiplied by per dollar impact intensity.

### 2 PRIORITIZE
- **Impacts for priority categories**
- **Impacts across all categories**

#### 3 CORRELATE
- **Methods of evaluation per category**
- **Methods of evaluation across categories**
  - Significant overall impacts (e.g., human toxicity) may result from purchases in multiple categories.

#### 4 IMPLEMENT
- **Leadership Policies for purchasing**
  - More than one pathway may be available for achieving leadership in a purchasing category.
  - Some impacts may be best addressed by evaluation methods that apply across categories.
  - Category-specific labels or standards ideally address all major impacts areas relevant to the category.

**Category A**
- Products/services purchased in CATEGORY A must:
  1. Meet the requirements of LABEL A.1; or
  2. Meet the requirements of LABEL A.2 and STANDARD 1; or
  3. Achieve STANDARD 1 and THR 1.

**Category B**
- Products/services purchased in CATEGORY B must:
  1. Conform with STANDARD B.1; or
  2. Conform with STANDARD B.2 and achieve THR 3.

**Category C**
- Products/services purchased in CATEGORY C must:
  1. Meet the requirements of LABEL C.2; or
  2. Conform with STANDARD 2 and STANDARD 3.

**Intensity per category** is calculated from database results, literature reviews, and expert input.

**Purchasing categories** are prioritized based on their overall contribution to key impact areas.

**Purchasing categories** that do not generate significant impacts are not prioritized.

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Challenges facing purchasing organizations

Related to Program GUIDANCE

Policy inconsistency
Similar-but-different policies at every organization
- Sends suppliers mixed signals
- Difficult to share training costs
- Policies are rarely updated
- Focus is on easy over impactful
- Development cost is prohibitive

Lack of program guidance
Holistic program guidance hard to find; scattered resources don’t add up and are expensive to corral; challenges integrating social and environmental

Product label growth & gaps
Both purchasers and suppliers need better labels and less confusion

Inertia of standard practices
Standard procurement practices do not always support sustainable purchasing (e.g. lowest-bid vs Total Cost of Ownership)

Related to Performance MEASUREMENT

No standard methodology
for measuring the social, economic, and environmental impacts of a given organization’s spend

Silo-ed accounting practices
make it difficult to assess all spend on goods and services

No standard process
for tracking, reporting and benchmarking the performance of an organization’s overall sustainable purchasing program

Software not optimized
Measurement conforms to limitations of current business process software; if a common standard existed, software could evolve to support it

Lack of ROI for program
Return on investment (ROI) has been demonstrated in certain product categories, but is still lacking for sustainable purchasing as a program.

Related to Leadership RECOGNITION

No recognition framework
- Difficult to get recognition for progressive improvement (good, better, best)
- 3rd party acclaim tends to be product focused, rather than purchasing program focused (e.g. green power)
- Leadership recognition currently depends on marketing
- Rarely based on open data shared on common platforms

No professional distinction
Nothing like LEED AP to signal expertise and proficiency in sustainable institutional purchasing.

Lacking multi-sector forum
Need a gathering place for the sustainable purchasing movement where passionate professionals can share thought leadership across sectors and stakeholder groups. Many would like to participate in such a “community of purpose.”
Aligning with the excellent work already underway by many groups, such as The Sustainability Consortium, the Responsible Purchasing Network, the National Association of State Procurement Officers, the Western States Contracting Alliance, EPA, GSA, UNEP, ICLEI, and others...

Could we collaborate to launch a shared program to serve as a platform for guiding, measuring, and recognizing leadership in sustainable purchasing?
A Shared Program

We propose a “LEED for procurement” rating system and leadership recognition program for sustainability in institutional and commercial purchasing.

This shared program will aid all marketplace actors by providing clear guidance, effective performance assessment and credible leadership recognition within an integrated program platform. We believe such a program is necessary to address a number of market barriers that are similar to the barriers LEED substantially alleviated in the green building market.
# Analogy: USGBC / LEED

## BEFORE (early 1990’s)
- Market fragmented by inconsistent guidelines
- No shared training program for green building
- Can’t differentiate credible from greenwash
- Leadership recognition based on marketing
- Shared challenges solved project by project
- Documentation is expensive and rare
- Creativity consumed reinventing the wheel
- ROI demonstrated on case by case basis
- Green building is expensive

## AFTER (early 2010’s)
- LEED provides buyers and suppliers with common language
- LEED AP makes training accessible to everyone
- LEED identifies credible standards and eco-labels
- Leadership recognition based on performance
- Shared challenges addressed through LEED versioning
- Documentation costs steadily decrease
- Creativity focused on innovation
- ROI of LEED approach consistently documented
- Building LEED-certified adds negligible cost

“A common standard is impossible.”

“Green building will always be niche.”

*A common standard is widely embraced and used.*

Green building is becoming the norm.*

* Green building is estimated at 44% of non-residential new construction in 2012.
Our Approach

The Council will support and incentivize organizations to:

1. **Analyze** the impacts associated with their total goods and services spending and uncover hotspots within it,

2. **Action Plan** proven and cost-effective strategies for meeting the organization’s goods and services needs in ways that mitigate impacts and increase the financial sustainability of the organization,

3. **Implement** their action plan within their incumbent procurement processes and tools,

4. **Measure** the action plan’s performance in ways that efficiently track and demonstrate improvements in outcomes, support benchmarking, and allow for assurance, and

5. **Earn Leadership Recognition** for their sustainable purchasing efforts from a credible third party.
## Benefits for Key Stakeholders

<table>
<thead>
<tr>
<th></th>
<th>Buyers</th>
<th>Suppliers</th>
<th>Public Interest</th>
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<tbody>
<tr>
<td>1</td>
<td>REDUCE COSTS &amp; RISKS</td>
<td>enhance efficiency of staff; reduce need for consulting; share costs of training and supplier engagement; avoid mistakes</td>
<td>reduce costs associated with market confusion; harmonize data requests to address “survey fatigue”</td>
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<tr>
<td>2</td>
<td>INCREASE BUSINESS VALUE</td>
<td>find improved solutions for end users; exceed mandates cost-effectively; receive recognition for leadership</td>
<td>align offerings to expressed market needs; align brand with Council’s sustainability leadership</td>
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<td>3</td>
<td>ACCESS PEOPLE &amp; INFORMATION</td>
<td>gain access to trustworthy, ready-to-use guidance; gain insight into peer efforts &amp; market direction; develop networks of peers and reliable suppliers</td>
<td>gain insight into needs and expectations of leading large organizations; develop networks of peers and valued customers</td>
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Steering Committee

Anastasia O’Rourke, Co-Chair
Principal, DEKRA
Founder, EcoLabel Index

Josh Silverman
Director, OSES
US Department of Energy

Jonathan Rifkin
Green Purchasing Coordinator
NASPO / City of Washington, DC

Chris O’Brien
Director of Sustainability
American University

Dennis McGavis
Director of EHS, Sustainability
Goodyear Tire & Rubber Co.

Yalmaz Siddiqui, Co-Chair
Senior Director, Environmental Strategy
Office-Depot

Cynthia Cummis
Manager, GHG Protocol
World Resources Institute

Mark Rossolo
Public Affairs Director
UL Environment

Nancy Gillis
Senior Manager
Ernst & Young, LLC

EPA Liaison to the Steering Committee

Alison Kinn Bennett
Senior Advisor
EPP Program, USEPA

Key Staff

Jason Pearson
Executive Director
Founder, TRUTHstudio and past President & CEO, GreenBlue.

Sam Hummel
Director of Outreach
Formerly at Association for the Advancement of Sustainability in Higher Education and Duke University (Sustainability Coordinator)
Activities 2012

Stakeholder Meeting
results in vision for integrated program.

SPLC Steering Committee
forms to launch the SPLC.

Interim Executive Director
hired.

Extensive STARS Input
submitted to AASHE.

Pilot Project
launched to apply GPR
framework for guidance
to AASHE STARS.

Discussion Draft
for recognition program.

Data Model
created to prioritize
spend categories.
Activities 2013

Public Launch Webcast
July 23rd, 1pm ET

Founding Summit
August 27-28, Washington DC
Founders & Partners only

Pre-Launch
- 501(c)3 incorporation
- Fundraising
- Staffing up
- Partnership development
- Founders’ Circle invites
- Prep governance, work stream & content proposals for launch mtg
- Pre-launch publicity

Launch
- Nominate Founding Board
- Refine Guiding Principles
- Prioritize work projects
- Form technical working groups
- Identify working group leaders
- Kick-off work streams…
- Prep general membership program
Work Streams

1. Principles: A Shared Definition of Leadership in Sustainable Purchasing
A high-level set of principles for defining leadership in sustainable purchasing. The principles will be used by the Council to guide its work and by individual organizations to set goals and priorities.

2. Landscape Scan of Existing Guidance Programs
The Council will produce a comparative analysis of existing guidance programs utilized in specific sectors or regions of the world. The Council’s integrated guidance, measurement and leadership recognition program seeks to learn from, support and integrate with existing guidance and reporting programs.

3. Guidance on Spend Analysis
Guidance on the range of datasets and methodologies available or under development for use by large institutions to evaluate the impacts associated with their total spend, including Economic Input Output Life Cycle Assessment (EIOLCA), Hybrid Life Cycle Assessment, supplier surveys, and supplier scorecards.

4. Prioritization and Action Planning Guidance
Guidance to help organizations increase the effectiveness of their sustainable purchasing efforts by: 1) identifying high priority areas of spend; 2) identifying proven strategies for reducing impacts in those priority areas; and 3) bundling those strategies into an action plan that produces an overall ROI for the organization.

5. Solicitation-Ready Category Guidance
Guidance for specific purchasing categories, leveraging the Green Products Roundtable Credible Claims guidance and Framework – and coordinating with the work of other organizations – to provide definitive and expert guidance on actions that purchasers can take to reduce the impacts/risks associated with each category.

6. Rating System v1.0
This initial version of the Council’s rating system for institutional leadership in sustainable purchasing, developed through a voluntary standard development process, will provide benchmarking and leadership recognition for organizations’ sustainable purchasing efforts and impact reductions.
Long Term

MANY PROGRAMS & DIVERSE REVENUE STREAMS

• Membership – leadership network and community of practice
• Guidance & Tools – technical working groups, publications, resources
• Professional Development - training curricula, certification
• Convenings - conference, expo, workshops, technical expert gatherings
• Leadership Recognition Programs - awards, rating system
• Outreach - raise visibility of sustainable purchasing movement

GOVERNANCE

• Independent - non-governmental, non-profit
• Multi-stakeholder - balanced, representative, and non-capturable
• Collaborative – some of the proposed activities may be executed by partners (e.g. training delivery)
Strategic Partners*

* More strategic partnerships are in development.
Founders Circle Members

- American University
- APEX Clean Energy
- Arizona State University
- Bloomberg
- The Carbon Neutral Company
- CIPS Sustainability Index
- City of Portland, OR
- City of San Francisco, CA
- City of Washington, DC
- DEKRA
- Dell
- Domtar
- Ecolab
- Emory University
- EY
- Fair Trade USA
- FedEx
- GreenCircle Certified
- King County
- Lockheed Martin
- Michigan State University
- Nova Scotia
- Office Depot
- Portland Community College
- SciQuest
- SCS Global Services
- Siiid
- State of California
- State of Minnesota
- U.S. Department of Agriculture
- UL Environment
- Waste Management
General Member Benefits

ALL MEMBERS

• **Networking** with forward-thinking purchasing professionals
• **Contribute** to the technical development of the Council’s guidance, measurement and leadership recognition programs
• **Access** member-only resources: webinars, research reports
• **Join** expert communities of practice
• **Discounts** on registration for events and trainings
• **Public recognition** (member listing, member logo, press kit, etc)
• **Communication platform** (annual meeting presentations, blog articles, etc)
• **Eligibility** for awards program

SUPPLIER MEMBERS

• **Sponsor** meetings, events and publications
• **Exhibit** at meetings and events
• **Product & Service Directory** listing
• **Offer product/service discounts** to SPLC members
As a Founding Member, we believe the Council will help unleash the power of institutional buying to accelerate the world's transition to sustainability.  

Yalmaz Siddiqui, Senior Director, Environmental Strategy, Office Depot

The Sustainable Purchasing Leadership Council will help institutional buyers to efficiently and accurately incorporate sustainability into procurement decisions.  

Cynthia Cummis, Manager, GHG Protocol and Value Chain Initiative, World Resources Institute

Many governmental purchasers have long been interested in a ‘USGBC for green purchasing.’ We need an independent, authoritative body.  

Chris Geiger, Manager, Green Purchasing & IPM, City of San Francisco, CA

This is the right idea, at the right time, and these are the right people to do it.  

Chris O’Brien, Director, Office of Sustainability, American University
Past Executive Director, Responsible Purchasing Network

Their multi-stakeholder guidance and clear thinking makes the Council a voice worth listening to.  

Jonathan Rifkin, Green Purchasing Coordinator, City of Washington, DC

The Council harnesses the power of one of the biggest demand drivers in the market: institutional purchasers.  

Dennis E. McGavis, Director, EHS Sustainability, The Goodyear Tire & Rubber Company
Thank you.

Please visit us at:
WWW.PURCHASINGCOUNCIL.ORG

For more information:

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Our Approach

Supports a Familiar Spend Management Process
Spend Management Process

SPLC members get:
- Data need specifications that can be written into contracts to ease reporting
- Reporting API
- Benchmarking
- Training & Community of practice

SPLC members get:
- Guidance for conducting spend-related impact assessments
- Tools
- Training & Community of practice

SPLC members get:
- Guidance on proven and cost-effective strategies
- Case studies
- Tools (e.g. TCO and ROI calculators)
- Training & Community

SPLC members get:
- Data need specifications that can be written into contracts to ease reporting
- Reporting API
- Benchmarking
- Training & Community of practice

SPLC members get:
- Guidance for each step of sourcing process (e.g. solicitation and contract ready language)
- Tools (e.g. supplier database)
- Training & Community of practice
Spend Management Process

Standard Procurement Process
The spend management process allows the standard procurement process to deliver sustainability improvements because the Action Planning phase engages stakeholders in the process of defining and committing to new requirements that meet the organization’s needs in full, but in a lower impact manner.
SPLC’s contract-ready guidance on data reporting and formatting requirements simplifies the process of feeding strategically important data back into the spend management process.

**Spend Management Process**

**Standard Procurement Process**
Our Approach

Supports a Standard Procurement Process

1. Requirements Development
2. Invite Supplier Offers
3. Select Supplier
4. Agree to Terms
5. Manage Contract
6. Assess Market

Standard Procurement Process
SPLC members get:
• Guidance on proven strategies for sourcing low impact solutions within priority product/service categories
• Training & Community of practice

SPLC members get:
• Community of practice to assist with issues that may arise

SPLC members get:
Contract-ready language that addresses:
• full lifecycle impacts of product/service
• data reporting needs and formats

SPLC members get:
• Access to case studies, market trends and average-cost data for solutions recommended by SPLC
• Community of practice

SPLC members get:
• RFx-ready solicitation language
• Access to a network of suppliers prepared to deliver solutions that meet SPLC’s guidance
• Training resources for current suppliers

SPLC members get:
• Training & Community of practice to assist in evaluating supplier sustainability claims
• Tools (e.g. Total Cost of Ownership calculators)
SPLC’s members get opportunities to:

- Earn “good, better, best” leadership recognition from a rating system developed through a voluntary consensus, multi-stakeholder process
- Professional recognition (credential)
- Receive awards
- Share and market their work within a highly regarded brand platform

Note: Members may use all of SPLC’s guidance, tools and training without participating in the Council’s leadership recognition opportunities. For example, an organization that is new to sustainable purchasing may decide to utilize SPLC’s guidance for several years before submitting for a rating.