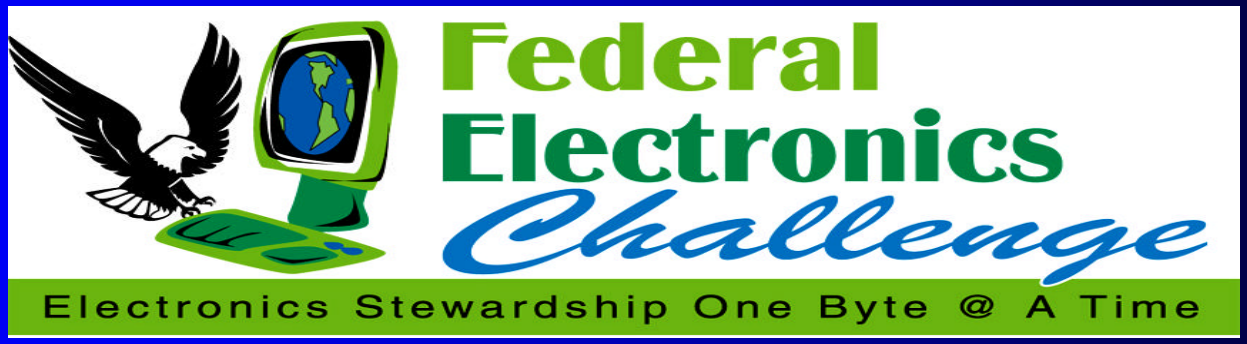

Monthly FEC Partner Call:

How to Purchase Environmentally Preferable Electronic Products & Services

February 3, 2005

AGENDA
February 3, 2005

- Part 1: Environmentally Preferable Purchasing 101
- Part 2: Steps and tools to build environmental factors in purchasing decisions
- Part 3: Guest Speakers -- “Greening Interior’s Electronics Purchase”

PART 1: ENVIRONMENTAL PURCHASING 101

WHAT IS ENVIRONMENTAL PURCHASING?

….Incorporating key **<u>environmental</u> factors** with traditional **price** and **performance** considerations in purchasing decisions.

WHAT IS ENVIRONMENTAL PURCHASING?

- Buying products that have/are:
  - Recycled content
  - Energy efficient
  - Less packaging
  - Upgradeable
  - Recyclable
- Buying Products that do not have/are not:
  - Heavy metals
  - Carcinogens
  - Ozone Depleting Chemicals
  - Toxics

Choosing to NOT BUY!

GREENING PROCUREMENT INVOLVES: (1 OF 2)

- Gathering information about "green" products and EOL services
- Structuring evaluation criteria that reflect "green"
- Requiring green aspects in purchases which can facilitate EOL management
  - For example, requiring vendor take-back can minimize volume and toxicity of used equipment to manage

GREENING PROCUREMENT INVOLVES: (2 OF 2)

- Ensuring "green" clauses are implemented by vendors in the post-award phase
- Selecting and overseeing recyclers and waste haulers who can manage electronics in a responsible manner after they leave the federal sector.

HOWEVER…

- Procurement staff cannot and will not bear all of the responsibility for making EPP happen
  - They are enablers, not sole actors
- The “need” for environmentally preferable products and services should originate from the requestors:
  - Program Managers
  - IT Managers
  - Property managers
  - End-users
- Ensure responsibility is shared across professional disciplines from beginning to end

Questions?


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WHY BUY GREEN?

- Statutory and Executive Order requirements
- Reduce Liability
- Achieve Cost Savings
- Help drive the marketplace towards greener electronics
- Help achieve FEC Goals
- It’s the right thing to do!

WHY BUY GREEN?
IT'S REQUIRED

- Statutory and Executive Order Requirements
  - Pollution Prevention Act
  - Energy Policy Act
  - Resource Conservation and Recovery Act Section 6002
  - Farm Bill Section 9002
  - Greening the Government Executive Orders
    - Executive Order 13101, "Greening the Government Through Waste Prevention, Recycling, and Federal Acquisition"
    - Executive Order 13123, "Greening the Government Through Energy Efficient Management"
    - Executive Order 13221, "Energy Efficient Standby Power Devices"
    - Executive Order 13148, "Greening the Government Through Leadership in Environmental Management"

  For additional details, see:
  http://www.federalelectronicschallenge.net/Tools/fec_regs.pdf
- FAR Requirements

  For additional details, see:

  http://www.federalelectronicschallenge.net/Tools/farprov.pdf

WHY BUY GREEN PRODUCTS?
Reduce Liability of Electronics

- Electronic equipment can contain hazardous and toxic substances such as lead, mercury, chromium, and cadmium.
- Electronics designated as a hazardous waste under RCRA.

Federal agencies can purchase electronics that minimize use of these hazardous substances

WHY BUY GREEN SERVICES?
Reduce Liability of Electronics

- Liability exposure results from improper disposal and recycling practices. ("The Six O'Clock News" factor.)
  - US Department of Health and Human Services (Boston, MA Office) received Notice Of Violation for improper disposal of electronic equipment:
    - Threatened with a $27,500 penalty per violation (they had 7) if the alleged violations were not corrected; they corrected the problem and were not fined.

Federal agencies can purchase services of recyclers who manage electronics in a responsible manner

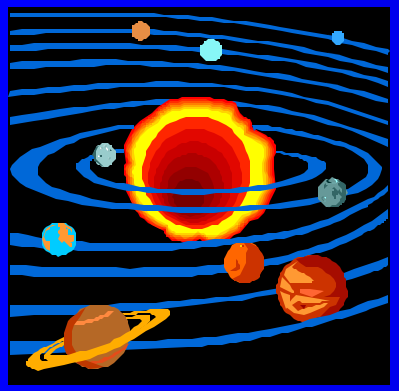
WHY BUY GREEN?
Achieve Cost Savings

- Federal, state, and local governments could save at least $139 million annually if they purchase and enable ENERGY STAR labeled products.
  - = preventing over 4.1 million metric tons of carbon by the year 2010
  - = lighting more than 17.7 million homes per year
- One office of DOE purchased and activated Energy Star features in 312 monitors and saved $5300/year.
  - Projected savings of $120,000/year if implemented across all of US DOE

WHY BUY GREEN?
WE CAN DRIVE THE MARKETPLACE

"The large scale, systematic approach that most institutions take in their purchasing can have large ripple effects on which products are used by hundreds or even thousands of individuals."

Purchasing Power: Harnessing Institutional Procurement for People and the Planet, Worldwatch Institute, 2003

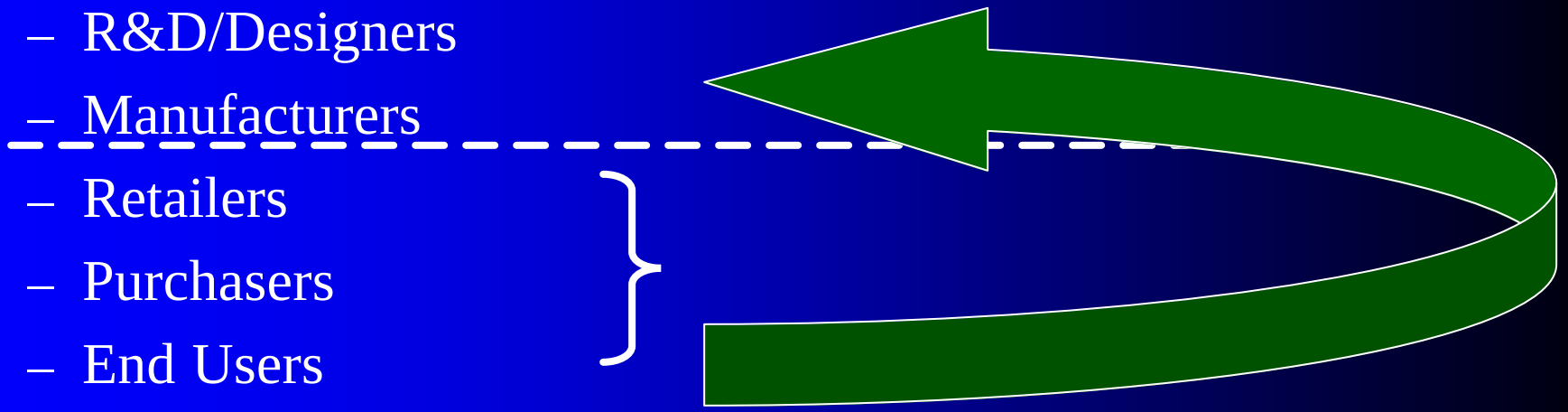


WHY BUY GREEN? EXERCISE YOUR SPHERE OF INFLUENCE

Send clear market signals of agencies' preference for environmentally preferable electronic equipment

PLAYERS

- R&D/Designers
- Manufacturers
- Retailers
- Purchasers
- End Users
- End-of-life managers



WHY BUY GREEN?
HELP ACHIEVE FEC GOALS

Goal of FEC: Achieve cost-effective, environmentally responsible electronics management

Specifically that by 2008,

- 100% of units purchased will include multiple environmental attributes. (A/P)
- 100% of units purchased will have an average life span of 4 years or greater. (A/P)
- Energy Star features will be enabled on 95% of units. (O/M)
- 100% of non-reusable units are recycled using Environmentally Sound Management. (EOL)

Acquisition and procurement plays a crucial role in realizing all of our goals.

WHY BUY GREEN?

It’s the right thing to do!

AND WHAT GOOD REASONS…

Questions?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PART 2: RESOURCES TO HELP YOU BUY GREEN

HOW ARE FEDS CURRENTLY BUYING ELECTRONIC PRODUCTS?

- GSA Schedule 70
- Government-wide Acquisition Contracts (GWACs) (e.g., NASA SEWP, NIH ICS, DOC's COMMITS)
- Individual department and/or agencywide contracts for IT equipment through:
  - Retail/Open Market
  - Small Business Set-Asides
- Decentralized contracts with an Agency/department

Some agencies purchase while others lease their equipment

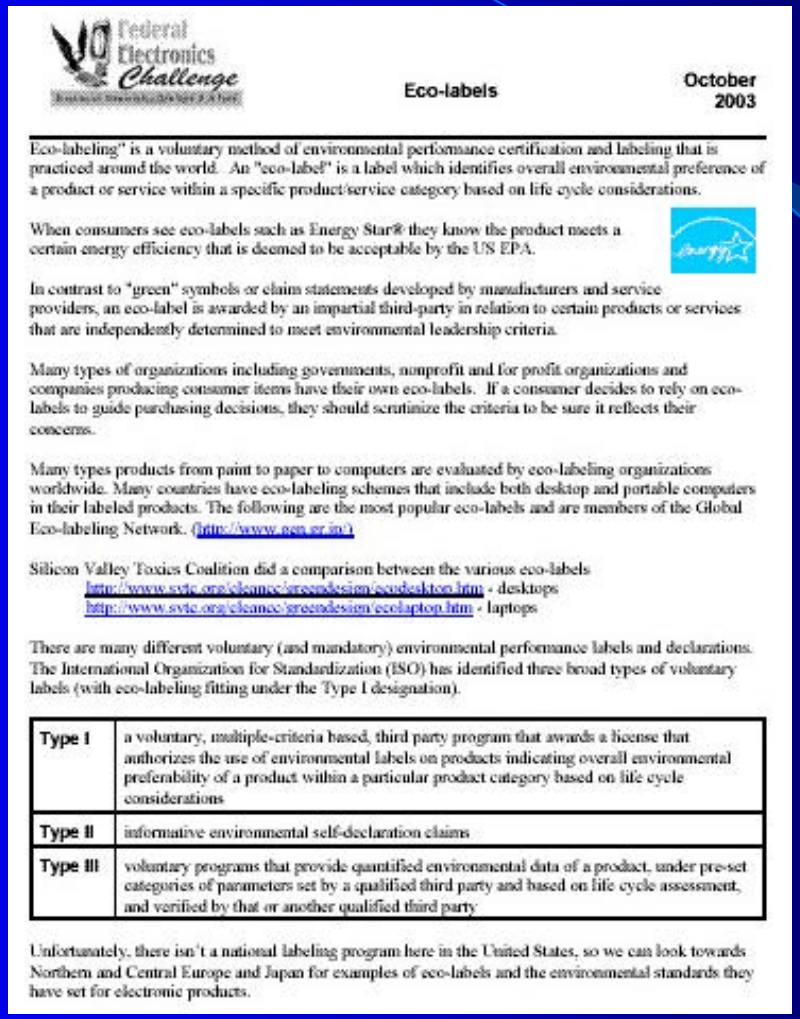
HOW DO YOU DETERMINE IF IT'S "GREEN"?

- " Green" based on:
  - Government standards or guides (e.g., Energy Star)
  - Third Party standards (e.g., TCO, Canada's Environmental Choice, ECMA)
  - Vendor claims about its products or practices
  - Organization-unique standards
- How these criteria are manifested:
  - Approved supplier lists
  - Approved product lists
  - Solicitations that reflect existing or organization-specific standards (DOI, Western States Contracting Alliance, Massachusetts, Denver, Seattle)

THIRD PARTY (ECO-LABEL) PROGRAMS

- Energy Star - Energy rating system.
- TCO - Swedish labeling system for electronics.
- Nordic Swan - Eco-label for electronics and other products.
- EMCA -self-evaluated industry standard for electronics.
- EPEAT - U.S. based project to develop an electronics environmental evaluation system (under development).

TOOL: FACT SHEET ON ECO-LABELS



Federal Electronics Challenge

Eco-labels **October 2003**

Eco-labeling" is a voluntary method of environmental performance certification and labeling that is practiced around the world. An "eco-label" is a label which identifies overall environmental preference of a product or service within a specific product/service category based on life cycle considerations.

When consumers see eco-labels such as Energy Star® they know the product meets a certain energy efficiency that is deemed to be acceptable by the US EPA.

In contrast to "green" symbols or claim statements developed by manufacturers and service providers, an eco-label is awarded by an impartial third-party in relation to certain products or services that are independently determined to meet environmental leadership criteria.

Many types of organizations including governments, nonprofit and for profit organizations and companies producing consumer items have their own eco-labels. If a consumer decides to rely on eco-labels to guide purchasing decisions, they should scrutinize the criteria to be sure it reflects their concerns.

Many types products from paint to paper to computers are evaluated by eco-labeling organizations worldwide. Many countries have eco-labeling schemes that include both desktop and portable computers in their labeled products. The following are the most popular eco-labels and are members of the Global Eco-labeling Network. (http://www.gen.gr.jp/)

Silicon Valley Toxics Coalition did a comparison between the various eco-labels
http://www.svtc.org/cleancc/greendesign/ecodesktop.htm - desktops
http://www.svtc.org/cleancc/greendesign/ecolaptop.htm - laptops

There are many different voluntary (and mandatory) environmental performance labels and declarations. The International Organization for Standardization (ISO) has identified three broad types of voluntary labels (with eco-labeling fitting under the Type I designation).

Type I	a voluntary, multiple-criteria based, third party program that awards a license that authorizes the use of environmental labels on products indicating overall environmental preferability of a product within a particular product category based on life cycle considerations
Type II	informative environmental self-declaration claims
Type III	voluntary programs that provide quantified environmental data of a product, under pre-set categories of parameters set by a qualified third party and based on life cycle assessment, and verified by that or another qualified third party

Unfortunately, there isn't a national labeling program here in the United States, so we can look towards Northern and Central Europe and Japan for examples of eco-labels and the environmental standards they have set for electronic products.

http://www.federalelectronicschallenge.net/Tools/ecolabel.pdf

ELECTRONIC PRODUCTS ENVIRONMENTAL ASSESSMENT TOOL (EPEAT)

- An environmental procurement tool designed to help institutional purchasers to evaluate, compare, and select desktop computers, laptops, and monitors based on their environmental performance
- Draft criteria agreed upon by multi-stakeholder group representing purchasers, manufacturers, trade associations, recyclers, environmental advocacy groups, academia

ELECTRONIC PRODUCTS ENVIRONMENTAL ASSESSMENT TOOL (EPEAT)

- Criteria cover energy conservation, materials selection, environmentally sensitive materials, design for end of life, product longevity/life cycle extension, end of life management, corporate performance, and packaging
- Feb 2005 - Draft criteria available
- Early 2006 - Final criteria and verification of vendor self declarations available

INTEGRATE ENVIRONMENTAL FACTORS INTO ALL PHASES OF ACQUISITION (1 of 2)

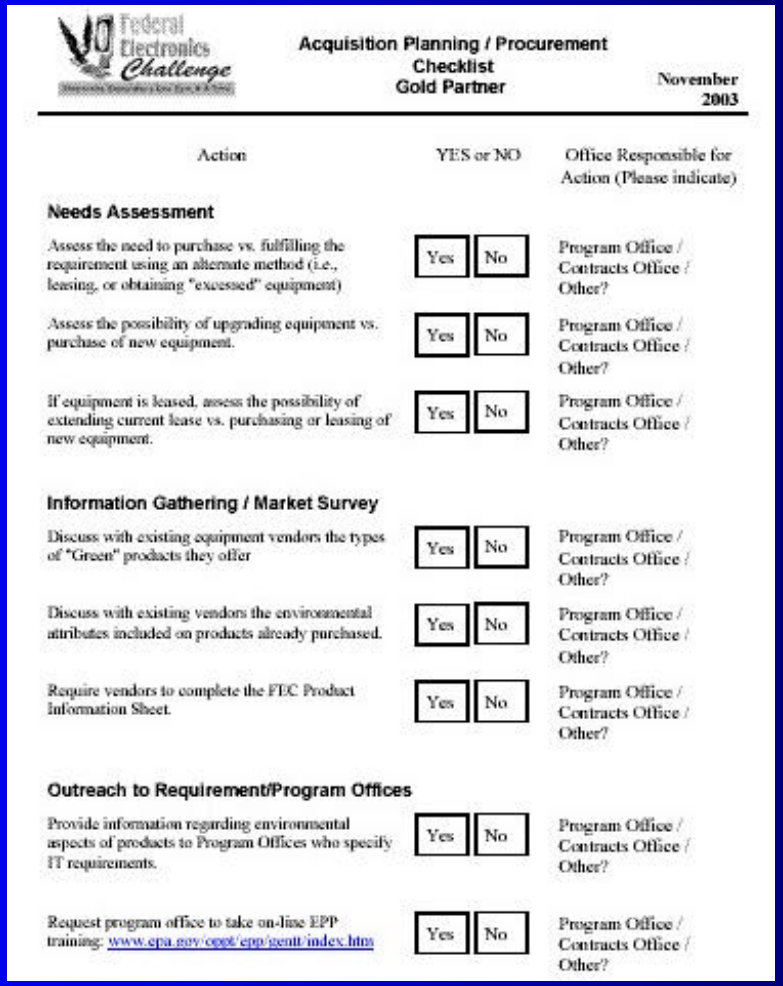
- Acquisition planning
  - Include key staff at beginning of process
  - Do you need the new equipment?
  - Can you reuse (all or part of) existing equipment?
  - Can you plan for extended life?
  - Are there smaller, less toxic, less energy consuming options?
  - Use the Acquisition/Procurement Checklist
- Market Research
  - Include questions about environmental aspects of electronics.
  - Use the Product Environmental Information Sheet!
- Solicitation Development
  - Structure RFP to include environmental factors.
  - Give sufficient weight to environmental factors.
  - Include environmental experts when deciding what environmental factors to include in selection criteria

INTEGRATE ENVIRONMENTAL FACTORS INTO ALL PHASES OF ACQUISITION (2 of 2)

- Proposal Evaluation
  - Include environmental experts on evaluation team.
- Contract Award
  - Award based on pre-defined criteria that included environmental considerations.
  - Communicate to all bidders importance of environmental factors in the award of contract.
- Contract Administration/Oversight
  - Ensure environmental clauses are being followed by vendors.
  - Obtain sales figures of products meeting specified environmental criteria from vendors.

Remember, your green purchasing & environmental experts can help you throughout these acquisition steps

TOOL: ACQUISITION & PROCUREMENT CHECKLISTS



Federal Electronics Challenge

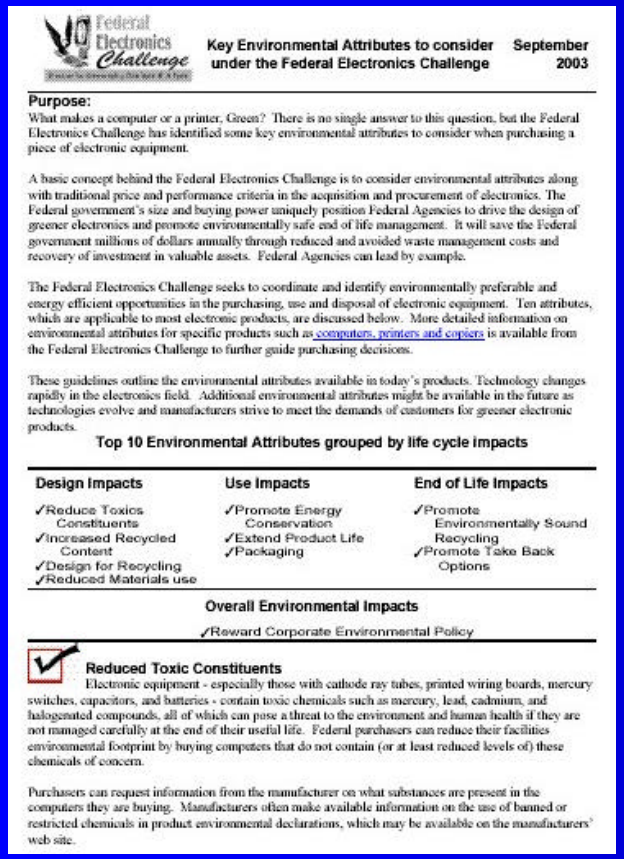
Acquisition Planning / Procurement Checklist
Gold Partner

November 2003

Action	YES or NO	Office Responsible for Action (Please indicate)
Needs Assessment		
Assess the need to purchase vs. fulfilling the requirement using an alternate method (i.e., leasing, or obtaining "excessed" equipment)	Yes / No	Program Office / Contracts Office / Other?
Assess the possibility of upgrading equipment vs. purchase of new equipment.	Yes / No	Program Office / Contracts Office / Other?
If equipment is leased, assess the possibility of extending current lease vs. purchasing or leasing of new equipment.	Yes / No	Program Office / Contracts Office / Other?
Information Gathering / Market Survey		
Discuss with existing equipment vendors the types of "Green" products they offer	Yes / No	Program Office / Contracts Office / Other?
Discuss with existing vendors the environmental attributes included on products already purchased.	Yes / No	Program Office / Contracts Office / Other?
Require vendors to complete the FEC Product Information Sheet.	Yes / No	Program Office / Contracts Office / Other?
Outreach to Requirement/Program Offices		
Provide information regarding environmental aspects of products to Program Offices who specify IT requirements.	Yes / No	Program Office / Contracts Office / Other?
Request program office to take on-line EPP training: www.epa.gov/oppt/epp/pubs/training/index.htm	Yes / No	Program Office / Contracts Office / Other?

http://www.federalelectronicschallenge.net/acquisit.htm

TOOL: KEY ENVIRONMENTAL ATTRIBUTES TO CONSIDER



Federal Electronics Challenge

Key Environmental Attributes to consider under the Federal Electronics Challenge — **September 2003**

Purpose:

What makes a computer or a printer, Green? There is no single answer to this question, but the Federal Electronics Challenge has identified some key environmental attributes to consider when purchasing a piece of electronic equipment.

A basic concept behind the Federal Electronics Challenge is to consider environmental attributes along with traditional price and performance criteria in the acquisition and procurement of electronics. The Federal government's size and buying power uniquely position Federal Agencies to drive the design of greener electronics and promote environmentally safe end of life management. It will save the Federal government millions of dollars annually through reduced and avoided waste management costs and recovery of investment in valuable assets. Federal Agencies can lead by example.

The Federal Electronics Challenge seeks to coordinate and identify environmentally preferable and energy efficient opportunities in the purchasing, use and disposal of electronic equipment. Ten attributes, which are applicable to most electronic products, are discussed below. More detailed information on environmental attributes for specific products such as computers, printers and copiers is available from the Federal Electronics Challenge to further guide purchasing decisions.

These guidelines outline the environmental attributes available in today's products. Technology changes rapidly in the electronics field. Additional environmental attributes might be available in the future as technologies evolve and manufacturers strive to meet the demands of customers for greener electronic products.

Top 10 Environmental Attributes grouped by life cycle impacts

Design Impacts	Use Impacts	End of Life Impacts
✓Reduce Toxics Constituents	✓Promote Energy Conservation	✓Promote Environmentally Sound Recycling
✓Increased Recycled Content	✓Extend Product Life	✓Promote Take Back Options
✓Design for Recycling	✓Packaging	
✓Reduced Materials use		

Overall Environmental Impacts

✓Reward Corporate Environmental Policy

Reduced Toxic Constituents

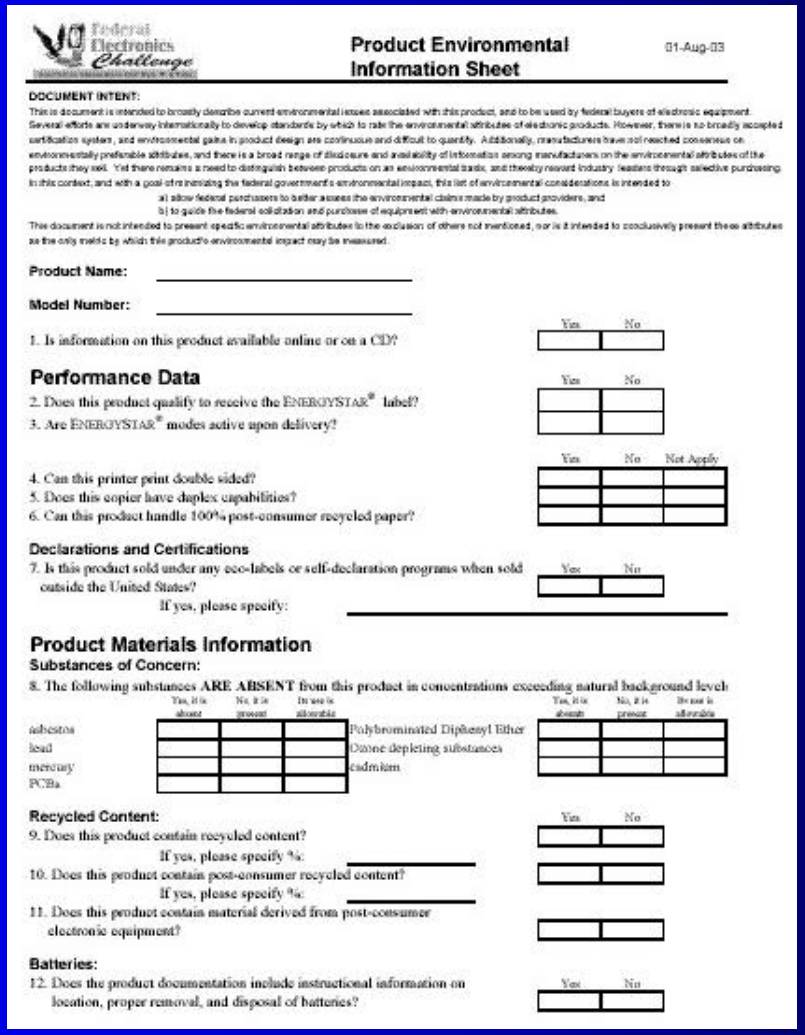
Electronic equipment - especially those with cathode ray tubes, printed wiring boards, mercury switches, capacitors, and batteries - contain toxic chemicals such as mercury, lead, cadmium, and halogenated compounds, all of which can pose a threat to the environment and human health if they are not managed carefully at the end of their useful life. Federal purchasers can reduce their facilities environmental footprint by buying computers that do not contain (or at least reduced levels of) these chemicals of concern.

Purchasers can request information from the manufacturer on what substances are present in the computers they are buying. Manufacturers often make available information on the use of banned or restricted chemicals in product environmental declarations, which may be available on the manufacturers' web site.

- Reduce Toxics Constituents
- Increased Recycled Content
- Design for Recycling
- Reduced Materials use
- Promote Energy Conservation
- Extend Product Life
- Reduce Packaging
- Promote environmentally sound recycling
- Promote take-back options
- Reward corporate environmental policy

http://www.federalelectronicschallenge.net/Tools/topenv.pdf

TOOL: PRODUCT ENVIRONMENTAL INFORMATION SHEET



Federal Electronics Challenge

Product Environmental Information Sheet

01-Aug-03

DOCUMENT INTENT:

This document is intended to broadly describe current environmental issues associated with this product, and to be used by federal buyers of electronic equipment. Several efforts are underway internationally to develop standards by which to rate the environmental attributes of electronic products. However, there is no broadly accepted certification system, and environmental gains in product design are continuous and difficult to quantify. Additionally, manufacturers have not reached consensus on environmentally preferable attributes, and there is a broad range of disclosure and availability of information among manufacturers on the environmental attributes of the products they sell. Yet there remains a need to distinguish between products on an environmental basis, and thereby reward industry leaders through selective purchasing. In this context, and with a goal of minimizing the federal government's environmental impact, this list of environmental considerations is intended to

a) allow federal purchasers to better assess the environmental claims made by product providers, and

b) to guide the federal solicitation and purchase of equipment with environmental attributes.

This document is not intended to present specific environmental attributes to the exclusion of others not mentioned, nor is it intended to conclusively present these attributes as the only metric by which this product's environmental impact may be measured.

Product Name: _____

Model Number: _____

	Yes	No
1. Is information on this product available online or on a CD?		

Performance Data

	Yes	No
2. Does this product qualify to receive the ENERGYSTAR® label?		
3. Are ENERGYSTAR® modes active upon delivery?		

	Yes	No	Not Apply
4. Can this printer print double sided?			
5. Does this copier have duplex capabilities?			
6. Can this product handle 100% post-consumer recycled paper?			

Declarations and Certifications

	Yes	No
7. Is this product sold under any eco-labels or self-declaration programs when sold outside the United States?		

If yes, please specify: _____

Product Materials Information

Substances of Concern:

8. The following substances **ARE ABSENT** from this product in concentrations exceeding natural background levels

	Yes, it is absent	No, it is present	Its use is allowable		Yes, it is absent	No, it is present	Its use is allowable
asbestos				Polybrominated Diphenyl Ether			
lead				Ozone depleting substances			
mercury				cadmium			
PCBs							

Recycled Content:

	Yes	No
9. Does this product contain recycled content?		
If yes, please specify %: _____		
10. Does this product contain post-consumer recycled content?		
If yes, please specify %: _____		
11. Does this product contain material derived from post-consumer electronic equipment?		

Batteries:

	Yes	No
12. Does the product documentation include instructional information on location, proper removal, and disposal of batteries?		

http://www.federalelectronicschallenge.net/Tools/prodinfo.pdf

MORE PROCUREMENT TOOLS TO COME…

- All of the tools referenced in this presentation can be found at:

  http://www.federalelectronicschallenge.net/acquisit.htm

- Other tools will be added over time.

What other tools would you like to see added?

OTHER ENVIRONMENTAL PURCHASING RESOURCES

- Electronic Industry Alliance's website: www.eia.org
- Product Stewardship Institutes' EPP Guide: http://www.productstewardshipinstitute.net/EPP.html#Electronics
- Center for New American Dream's Buy Clean Computer Network: http://www.newdream.org/procure/products/computers.html
- Silicon Valley Toxics Coalition Clean Computer Campaign: http://www.svtc.org/cleancc/index.html

Questions?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PART 3: CASE STUDY – DEPARTMENT OF THE INTERIOR'S COMPUTER CONTRACT

DEPARTMENT OF THE INTERIOR SOLICITATION FOR DESKTOPS AND LAPTOPS: A CASE STUDY

- Guest speaker:
  - Catherine Cesnik Courtney,
    DOI, Office of Environmental Policy and Compliance

- History – from Decentralized to Centralized Computer Purchase

- Bulk Purchase Agreement – Current Contract (1 ½ years) = ~ 20,000 desktops, 4,000 laptops as well as servers and printers = $4.5million
  - Indicated Environmental Preference Would Be Included for Next Contract

The Recompete: DOI BPA

- Developing New Contract – want to include environmental clauses based on EPEAT
- Market Survey – Based on Draft EPEAT Criteria (Posted on FedBizOps last week, due at Vendor's Day or Feb 15)

GUEST SPEAKER CONTACT INFORMATION

- Catherine Cesnik, POC for market survey, Office of Environmental Policy and Compliance, the Department of the Interior

  Catherine_cesnick@ios.doi.gov

  (650)329-5186

- John Sherman, Contracting Officer, Bureau of Land Management, Department of the Interior

  John_Sherman@blm.gov

  (303)236-0225

Questions?


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FEC Contact Information

- http://www.federalelectronicschallenge.net
- http://www.ofee.gov
- Juan Lopez, OFEE, 202-564-1297
- Viccy Salazar, EPA HQ, 703-308-8647
- Holly Elwood, EPA HQ, 202-564-8854
- Chris Beling, EPA Region 1, 617-918-1792
- Chris Newman, EPA Region 5, 312-353-8402
- Adrienne Priselac, EPA Region 9, 415-972-3285

Thank you

Remember - Sign up as a partner to continue to participate in these calls.

APPENDIX:
RECAP OF FEC REQUIREMENTS RELATED TO ACQUISTION & PROCUREMENT

AT A GLANCE: FEC REQUIREMENTS

BRONZE	SILVER	GOLD
✓Complete Survey ✓Set Goals ✓**Select 1 of 3 LC Phases:** **•Procurement** **•Use** **•End-of-life** ✓Complete mandatory items in chosen LC phase ✓Choose and implement 2 optional items ✓Report progress	✓Complete Survey ✓Set Goals ✓**Select 2 of 3 LC Phases:** **•Procurement** **•Use** **•End-of-life** ✓Complete mandatory items in 2 chosen LC phases ✓Choose and implement 3 optional items ✓Report progress	✓Complete Survey ✓Set Goals ✓**Integrate 3 LC Phases:** **•Procurement** **•Use** **•End-of-life** ✓Complete mandatory items in all 3 LC phases ✓Choose and implement 4 optional items ✓Report progress ✓Mentor 2 others

FEC REQUIREMENTS: ACQUISITION AND PROCUREMENT

BRONZE LEVEL

- Ensure that at least 50 percent of all monitors (CRTs and LCDs) purchased are ENERGY STAR® compliant.
- Require vendors to complete a Product Information Sheet.
- Complete Acquisition Planning & Procurement Checklist.

FEC REQUIREMENTS: ACQUISITION AND PROCUREMENT

SILVER LEVEL

- Bronze level requirements AND
- Include end-of-life management in solicitations OR include operation and maintenance provisions in solicitations.
- Consider and include at least three environmental attributes in purchasing specifications.

FEC REQUIREMENTS: ACQUISITION AND PROCUREMENT

GOLD LEVEL

- Bronze level requirements; AND
- Silver level requirements; AND
- Use life-cycle costing (AKA: total cost of ownership) [add hyperlink to tool];
- Include environmental factors in determining "best value" for contract award;
- Purchase third-party eco-labeled products or include criteria from a third party eco-labeling program;
- Require vendors to incorporate information about environmental features of their products in existing training programs/materials [add hyperlink to contract language].