



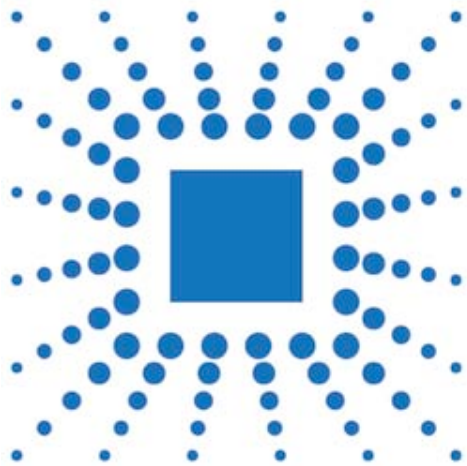
Sustainable Purchasing

An Opportunity for Leadership

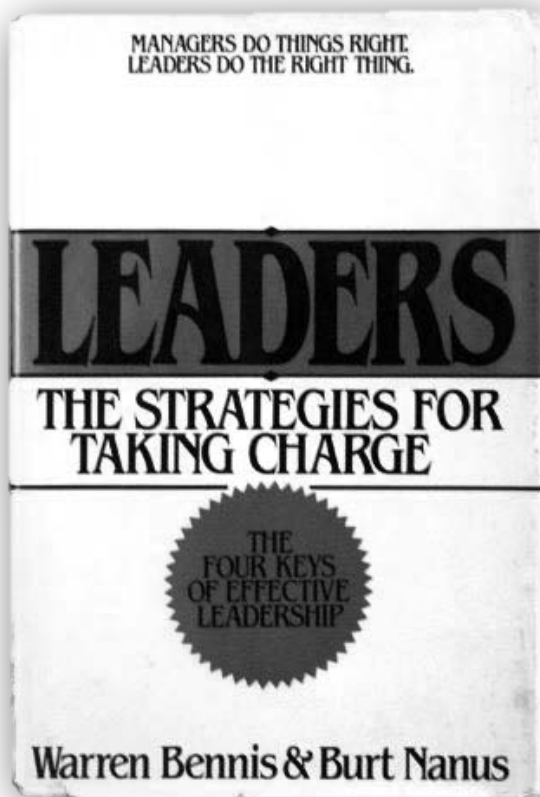
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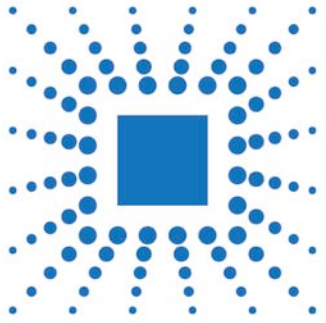


**SUSTAINABLE
PURCHASING
LEADERSHIP
COUNCIL**



SUSTAINABLE PURCHASING LEADERSHIP COUNCIL

*Managers do things right.
Leaders do the right thing.*



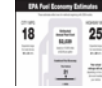
**SUSTAINABLE
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LEADERSHIP
COUNCIL**

- 1. Background**
2. Opportunity
3. Activities

GREEN PRODUCTS ROUNDTABLE



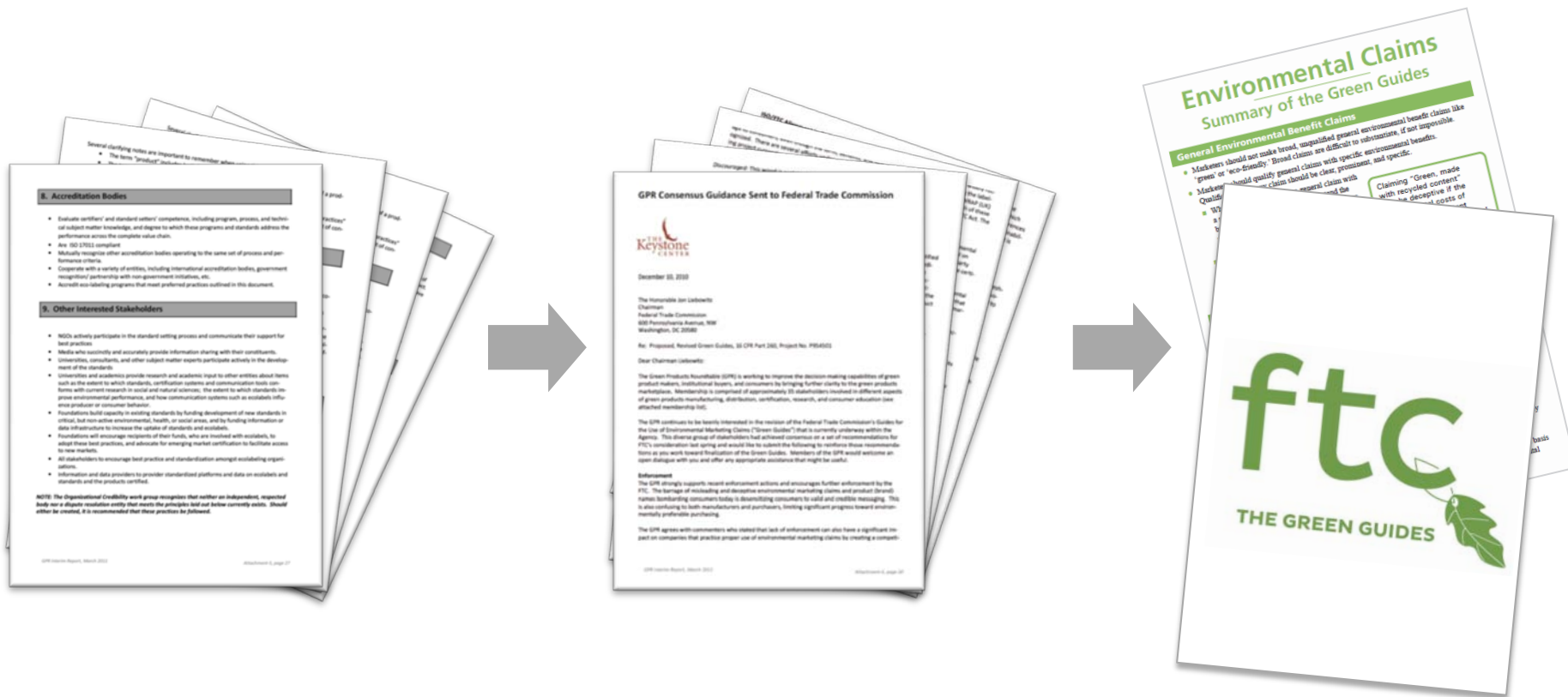
GREEN PRODUCTS ROUNDTABLE



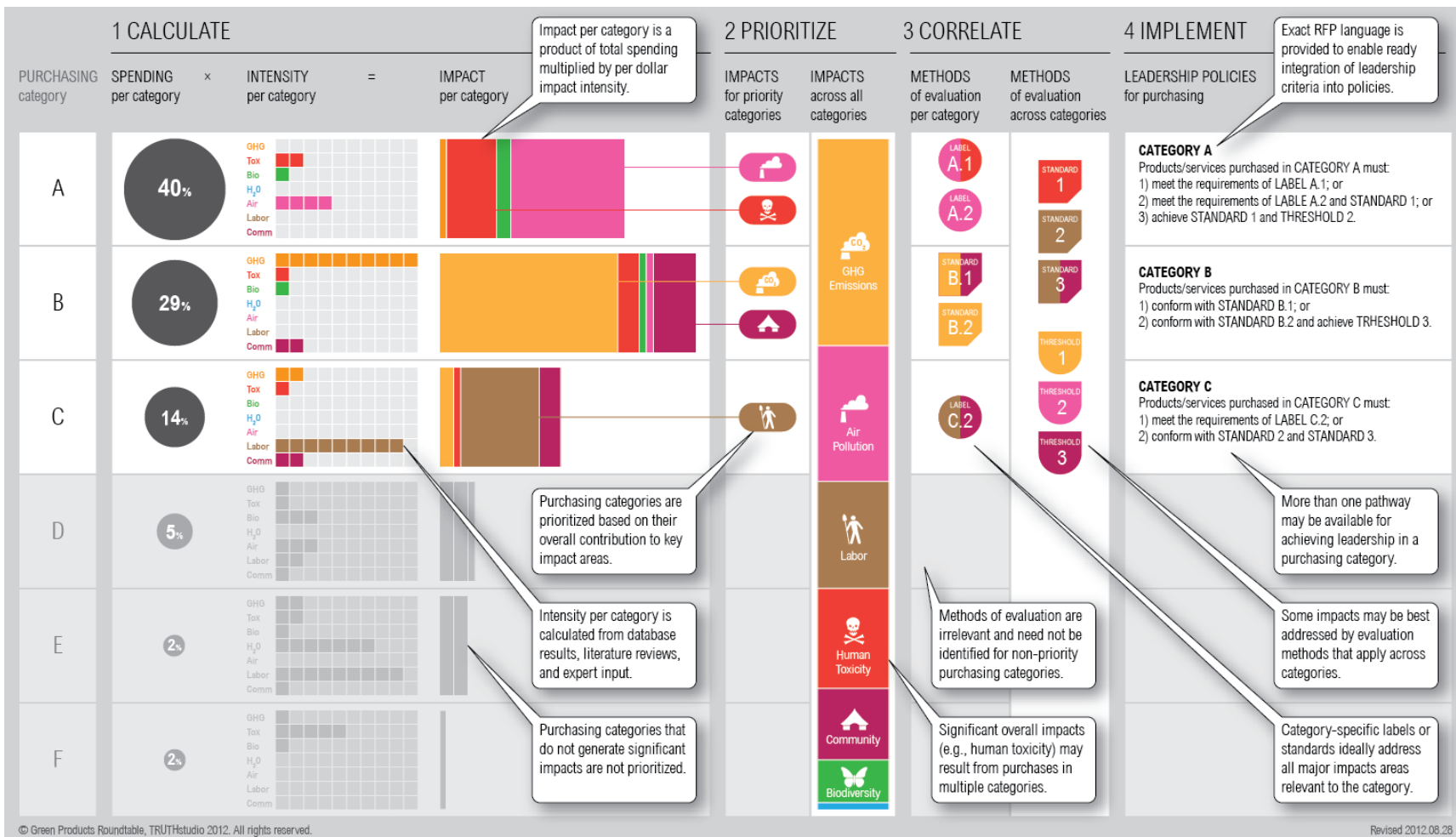
GREEN PRODUCTS ROUNDTABLE



What is a credible claim?



Prioritization Framework



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."

Root Challenge

The lack of standardization in how sustainable purchasing is defined, guided, measured, and rewarded.

Could we collaborate to launch a shared program for guiding, measuring, and recognizing leadership in sustainable purchasing?

Analogy: USGBC / LEED

BEFORE (early 1990's)

AFTER (early 2010's)

Market fragmented by inconsistent guidelines	→	LEED provides buyers and suppliers with common language
No shared training program for green building	→	LEED AP makes training accessible to everyone
Can't differentiate credible from greenwash	→	LEED identifies credible standards and eco-labels
Leadership recognition based on marketing	→	Leadership recognition based on performance
Shared challenges solved project by project	→	Shared challenges addressed through LEED versioning
Documentation is expensive and rare	→	Documentation costs steadily decrease
Creativity consumed reinventing the wheel	→	Creativity focused on innovation
ROI demonstrated on case by case basis	→	ROI of LEED approach consistently documented
Green building is expensive	→	Building LEED-certified adds negligible cost
<i>"A common standard is impossible."</i>	→	<i>A common standard is widely embraced and used.</i>
<i>"Green building will always be niche."</i>	→	<i>Green building is becoming the norm.*</i>

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



“products”

“green”

“purchasing”

“sustainable”

Steering Committee



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



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



Josh Silverman
Director, OSES
US Department of Energy



Cynthia Cummis
Manager, GHG Protocol
World Resources Institute



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



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



Mark Rossolo
Public Affairs Director
UL Environment



US EPA Liaison:
Alison Kinn Bennett
Senior Advisor
EPP Program, US EPA



Chris O'Brien
Director of Sustainability
American University



Nancy Gillis
Senior Manager
Ernst & Young, LLC



US GSA Liaison:
Brennan Conaway
Procurement Analyst
US General Services Administration

Founders Circle



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Portland, OR



City of San
Francisco, CA



City of
Washington, DC



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UNIVERSITY



King County



State of
California



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Michigan

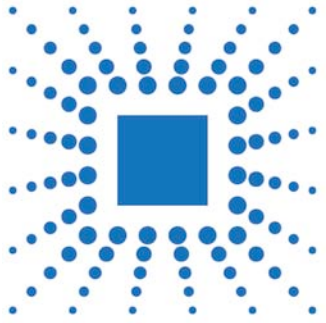


State of
Minnesota



Strategic Partners as of August 25





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1. Background
- 2. Opportunity**
3. Activities

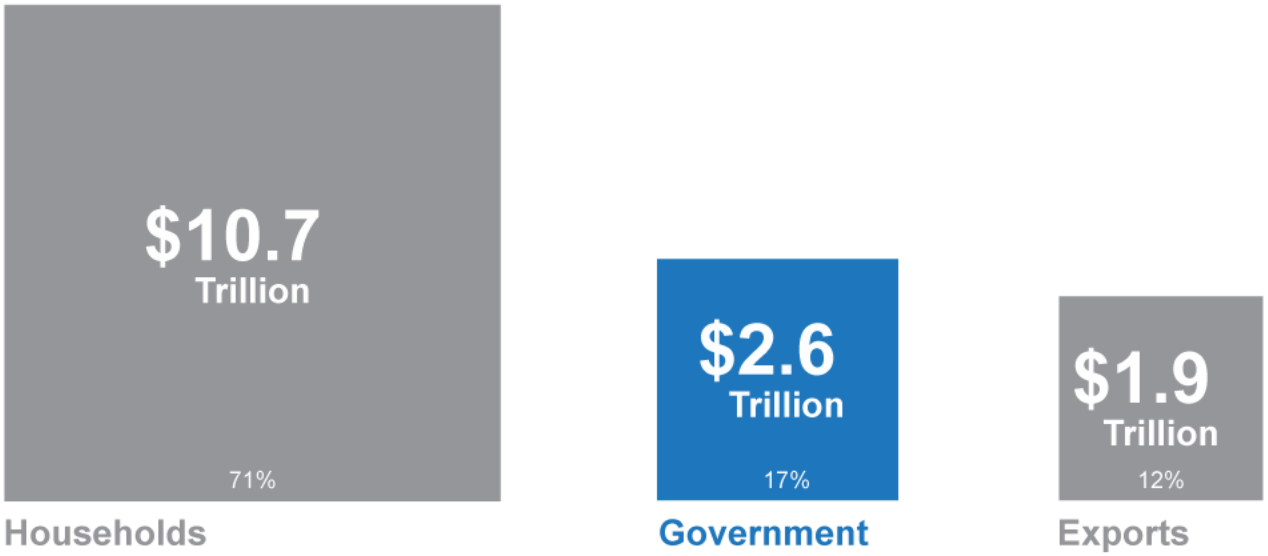
Vision

We envision a world where the production, use, and disposal of goods and services enhance the long-term health and vitality of people and the planet.

Opportunity for strategic leadership

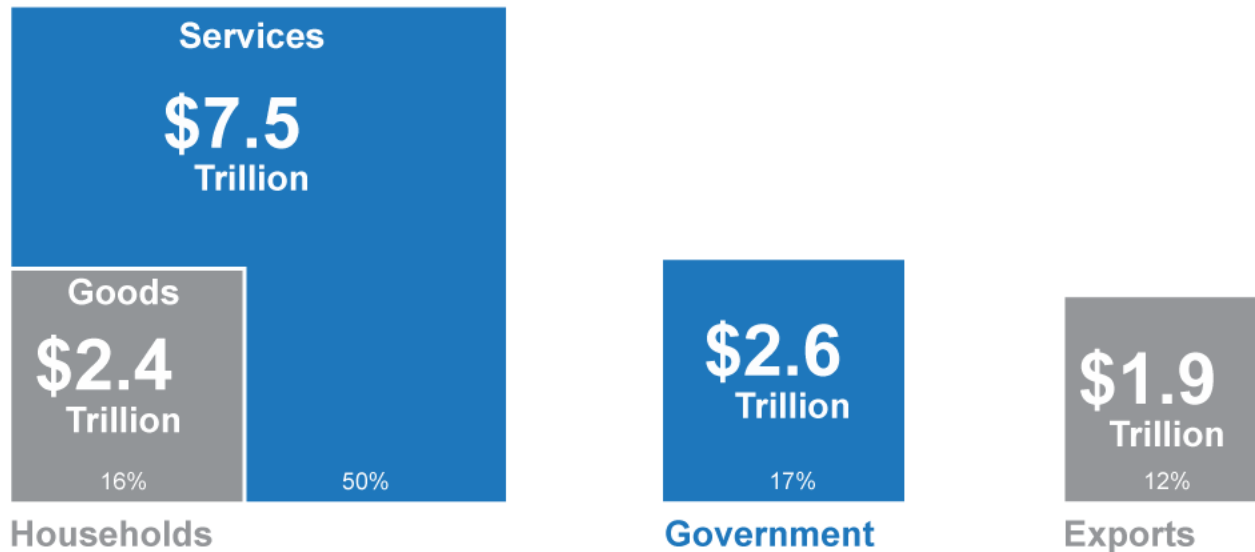


Opportunity for strategic leadership



Opportunity for strategic leadership

- Health care
- Housing
- Financial services and insurance
- Food services
- Transportation services
- Recreation services
- Education services
- Communications services
- Personal care services
- Hospitality services



Opportunity for strategic leadership



Opportunity for strategic leadership

± **100 million US jobs**

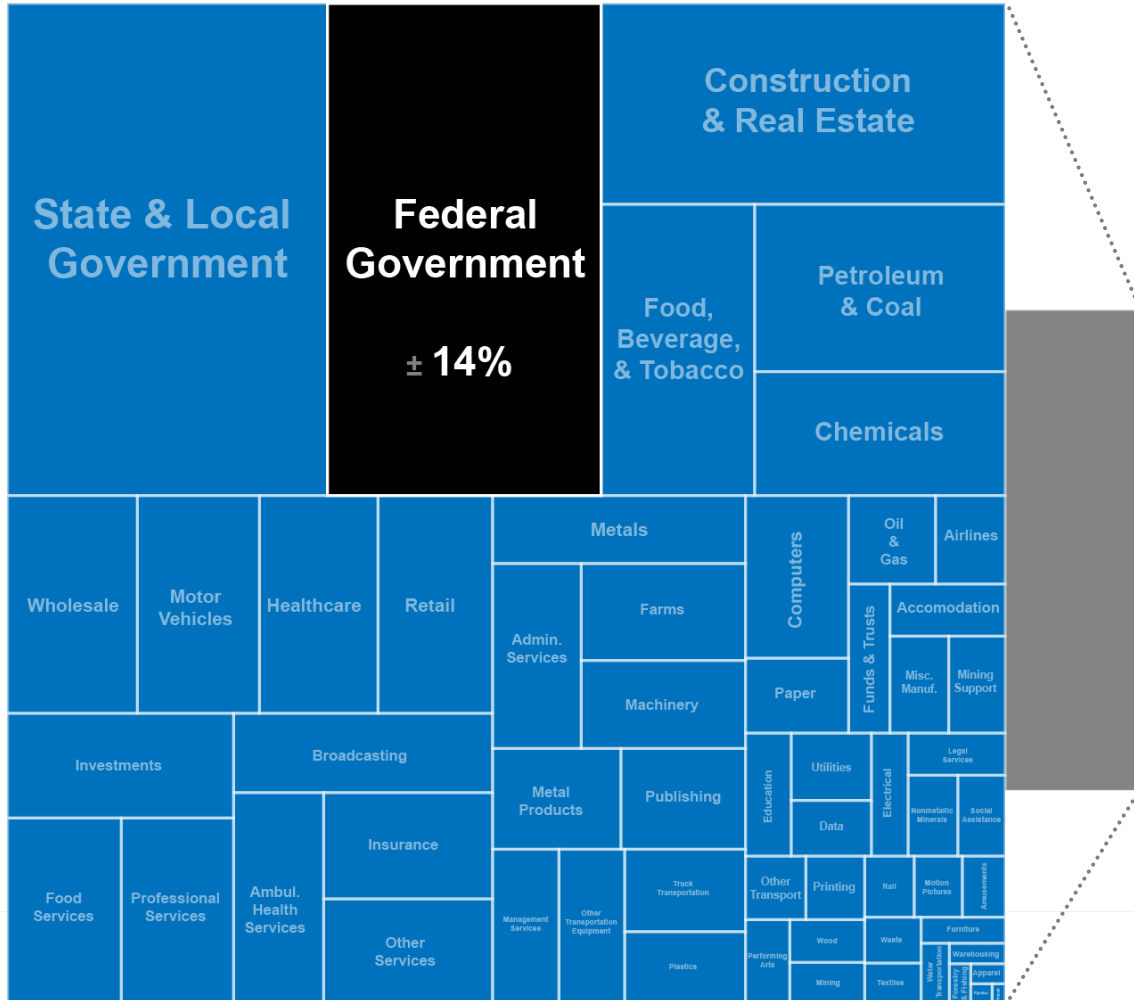
70% of US employment

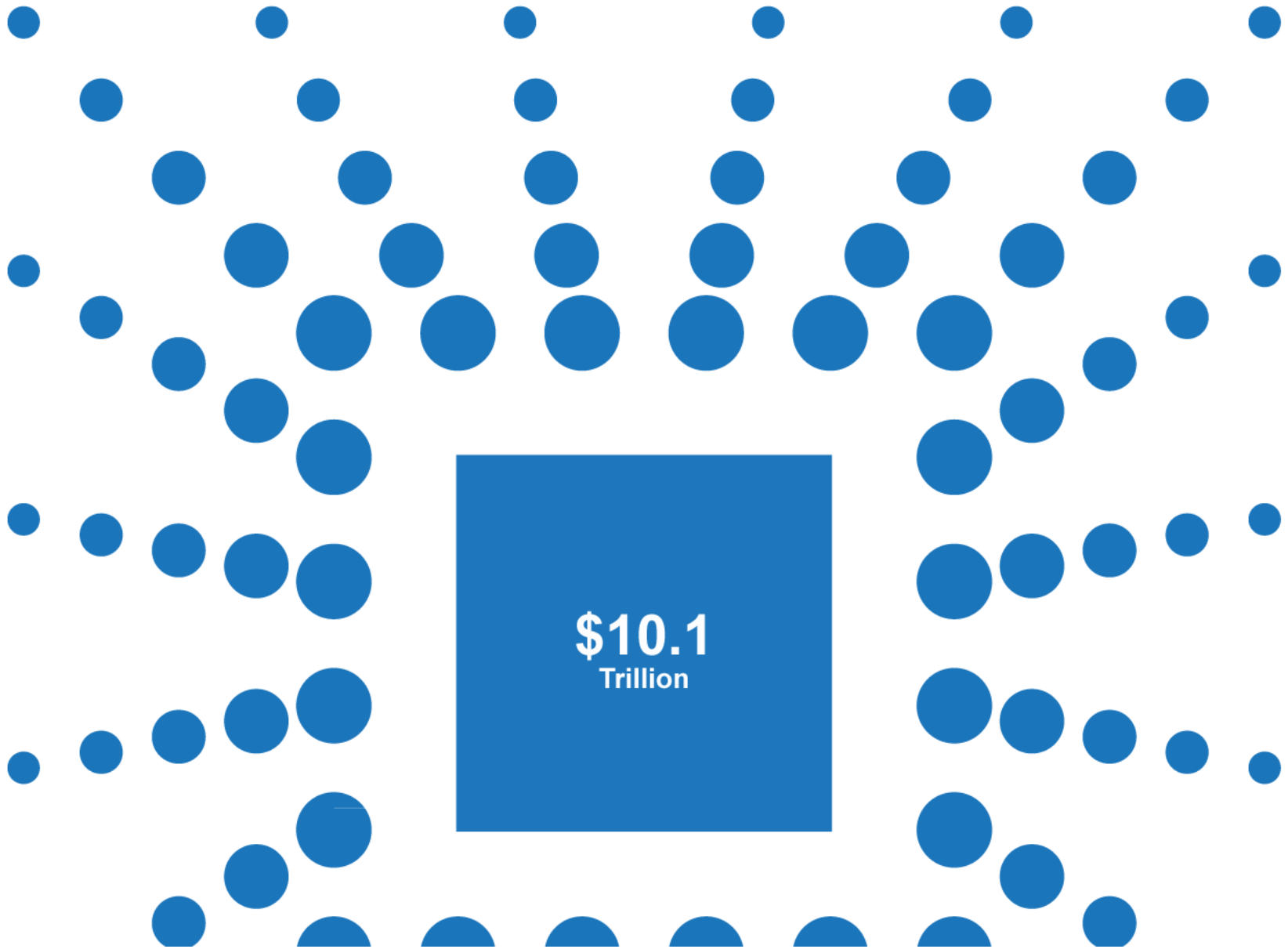
± **4 billion Mt CO₂e**

10% of global GHG

\$10.1
Trillion

Opportunity for strategic leadership through collaboration







1 Purchaser = 100's of Consumers

Purchasing Organizations



...are uniquely positioned to demand transparency into the upstream and downstream impacts of goods and services.

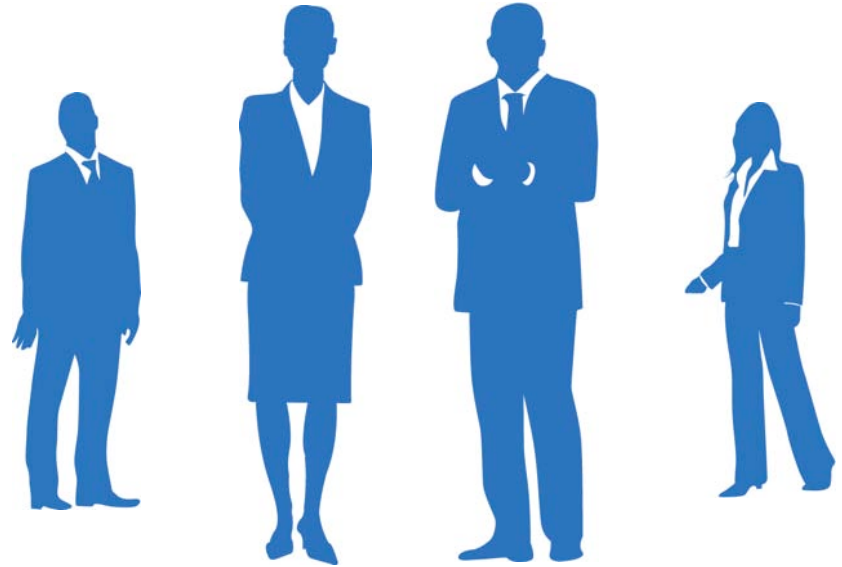
...are capable of incorporating sustainability criteria into purchasing decisions at a scale that can shift markets.

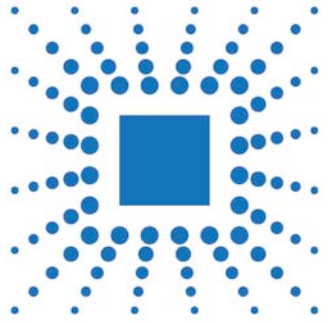
...are specially equipped to drive down the cost of sustainable products and services so that everyone can afford them.

...are already responsible for ensuring that end-users understand, like and adopt new products and services.

Marketplace Stakeholders

- Suppliers
- Policymakers
- Public Interest Advocates
- Professional Societies
- Trade Associations
- Certifiers
- Standards Developers
- Consultants
- Researchers





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We will collaborate to launch a shared program to serve as a platform for guiding, measuring, and recognizing leadership in sustainable purchasing.

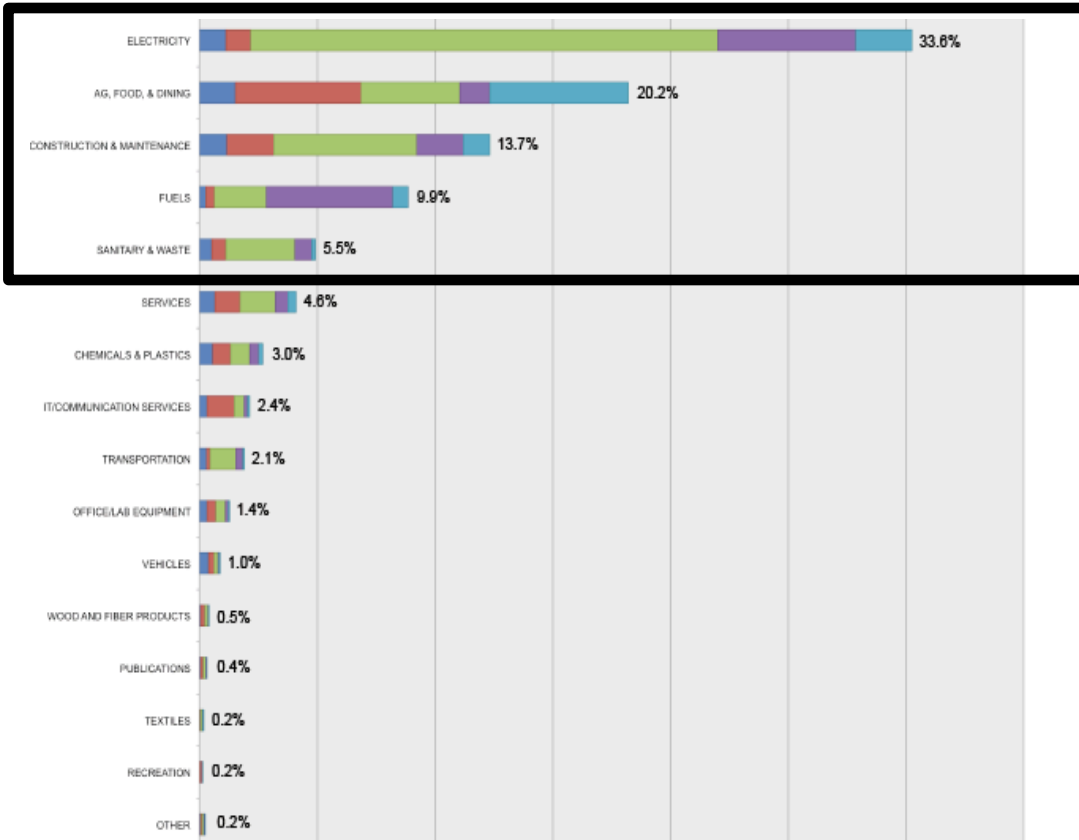
a.k.a. “LEED for Purchasing” or “USGBC for Purchasing”

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.

Pilot: Higher Education Purchasing



5 purchasing categories

64% of total spending

83% of estimated impacts

Insight: Analysis and prioritization sharpens focus and reduces complexity


Launch Event July 23, 2013

Moderated by
Joel Makower
and broadcast by




GreenBiz
group

Livestream



Katie Kassof



**SUSTAINABLE
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LEADERSHIP
COUNCIL**

3 Panel Conversation

Joel Makower, GreenBiz Group (moderator)

Alison Kinn Bennett, US Environmental Protection Agency

Chris O'Brien, American University

Jason Pearson, Sustainable Purchasing Leadership Council

Yalmaz Siddiqui, Office Depot

Chat (Everyone)

Q&A | *Submit questions here please*

Information

Julia F: UL has over 1400 standards which are developed through open concensus based processes

Dave Barbier: How do we get the recorded version of the presentation?

Julia F: (david)

Marci Kinter: Yes, I have heard of the Sustainability Consortium -- they are based at the University of Arkansas

nathan contreras: this sounds a lot like

nathan contreras: <http://www.sustainabilityconsortium.org/>

Beth Holst: thats it

David Hyatt: I am at University of Arkansas - have written academic case studies on WMT and the sustainability consortium

Julia F: That would be a good question to ask

Joshua Martin: yes, i asked about TSC and the Consumer Goods Forum. How is SPLC positioned in relation to those.

Multiple Attendees are typing...

All audio for today's event will be served through your computer speakers. Please submit all questions into the Q&A Pod to the left. Slides for today's event are available for

Download Slides Here

Name	Size
SPLC_Webcas	10 MB
SPLC_Webcas	1 MB

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🔊

Founding Summit Aug 27-28, 2013



Projects

1. Definition/Principles of Leadership

A high-level definition (or set of principles) for leadership in sustainable purchasing for use by the Council to guide its work and by individual organizations to set goals and priorities.

2. Sustainable Purchasing Program Guidance

A program to integrate existing hotspot-specific and product-specific guidance with spend management and procurement processes found in a variety of contexts.

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.

4. Guidance on Prioritization and Action Planning

Guidance to help organizations to: 1) identify priority areas of spend; 2) identify proven strategies for addressing those priority areas; and 3) bundling those strategies into an action plan that produces an overall ROI.

5. Solicitation-Ready Category Guidance

Guidance for specific purchasing categories, leveraging the work of the Green Products Roundtable and other organizations.

6. Rating System v1.0

An initial version of the Council's rating system for institutional leadership in sustainable purchasing, developed through a voluntary standard development process.

Projects within 6 months

1. Definition/Principles of Leadership

A high-level definition (or set of principles) for leadership in sustainable purchasing for individual organizations to set goals and priorities.

Final version of Definition & Principles of Leadership

2. Sustainable Purchasing Program Guidance

A program to integrate existing hotspot-specific and product-specific guidance with processes found in a variety of contexts.

Landscape scan of existing guidance programs

3. Guidance on Spend Analysis

Guidance on the range of datasets and methodologies available or under development and the impacts associated with their total spend.

A support infrastructure for the community of practice

4. Guidance on Prioritization and Action Planning

Guidance to help organizations to: 1) identify priority areas of spend; 2) identify proven strategies for addressing those priority areas; and 3) bundling those strategies into an action plan that produces an overall ROI.

5. Solicitation-Ready Category Guidance

Guidance for specific purchasing categories, leveraging the work of the Green Products Roundtable and other organizations.

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An initial version of the Council's rating system for institutional leadership in sustainable purchasing, developed through a voluntary standard development process.

Projects within 12 months

1. Definition/Principles of Leadership

A high-level definition (or set of principles) for leadership in sustainable purchasing for use by the Council to guide its work and by individual organizations to set goals and priorities.

2. Sustainable Purchasing Program Guidance

A program to integrate existing hotspot-specific and product-specific guidance with spend management and procurement processes found in a variety of contexts.

3. Guidance on Spend Analysis

Guidance on the range of datasets and methodologies available or under development and the impacts associated with their total spend.

Handbook of spend analysis options

4. Guidance on Prioritization and Action Planning

Guidance to help organizations to: 1) identify priority areas of spend; 2) identify provider areas; and 3) bundling those strategies into an action plan that produces an overall

Early draft of action planning guidance

5. Solicitation-Ready Category Guidance

Guidance for specific purchasing categories, leveraging the work of the Green Procurement

Solicitation-ready guidance for high-priority categories

6. Rating System v1.0

An initial version of the Council's rating system for institutional leadership in sustainable procurement and a voluntary standard development process.

Pilot-ready draft of rating system

Training & credentialing pilot program

Projects within 2 years

1. Definition/Principles of Leadership

A high-level definition (or set of principles) for leadership in sustainable purchasing for use by the Council to guide its work and by individual organizations to set goals and priorities.

2. Sustainable Purchasing Program Guidance

A program to integrate existing hotspot-specific and product-specific guidance with spend management and procurement processes found in a variety of contexts.

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.

4. Guidance on Prioritization and Action Planning

Guidance to help organizations to: 1) identify priority areas of spend; 2) identify procurement areas; and 3) bundling those strategies into an action plan that produces an overall

Refined guidance for action planning and implementation

5. Solicitation-Ready Category Guidance

Guidance for specific purchasing categories, leveraging the work of the Green Procurement

Solicitation-ready guidance for additional categories

6. Rating System v1.0

An initial version of the Council's rating system for institutional leadership in sustainable procurement and a voluntary standard development process.

Operating version of rating system

An API for eProcurement, ERP, and other software

Long Term

Program Plan

- 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)

Benefits for Key Stakeholders

Purchasers

Suppliers

Public Interest

1

SHAPE THE FUTURE

help redefine the **procurement profession** the way USGBC redefined the building professions

Be at the table when guidance is being developed for products or services you sell

Help raise the standards used in trillions of dollars worth of purchasing decisions

2

REDUCE COSTS & RISKS

enhance efficiency of staff; **reduce need** for consulting; **share costs** of training and supplier engagement; **avoid mistakes**

reduce costs associated with market confusion; **harmonize data requests** to address “survey fatigue”

reduce cost of promoting new science and best practices; **lower risk** that guidance and tools will be under-utilized

3

INCREASE BUSINESS VALUE

find improved solutions for end users; **exceed mandates** cost-effectively; **receive recognition** for leadership

align offerings to expressed market needs; **align brand** with Council’s sustainability leadership

improve outcomes by getting upstream of downstream impacts; **expand reach** of existing efforts

4

ACCESS PEOPLE & INFORMATION

gain access to trustworthy, ready-to-use guidance; **gain insight** into peer efforts & market direction; **develop networks** of peers and reliable suppliers

gain insight into needs and expectations of leading large organizations; **develop networks** of peers and valued customers

gain insight into procurement processes and current challenges; **develop relationships** with potential partners



THANK YOU

www.purchasingcouncil.org/membership

For more information:

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