Procurement sits in driver seat for sustainability

Sustainable procurement or “green purchasing” is an initiative that is often driven — and achieved — through municipal purchasing decisions. From buying products made of recycled materials or weighing the energy efficiency of an appliance, to contracting firms with socially ethical policies, procurement’s leadership is key to organizational success in achieving sustainability goals.

Darin Matthews, CPPO, CPSM, director of procurement and supply chain services for the University of California, Santa Cruz, is taking a lead in evaluating supplier performance in the area of sustainability. In 2018, UC adopted a policy to include sustainability as part of its request for proposals selection process. For solicitations over $100,000, a minimum of 15% of the selection criteria is allotted to sustainability. Partnering with a third party to evaluate supplier performance, scorecards measure four categories: environment; labor and human rights; ethics; and sustainable procurement.

When initially rolled out, there was some resistance from customer departments; however, the supplier community seems to embrace the new initiative. According to Matthews, “The first RFP resulted in a winning proposal that offered more than UC could have imagined. The top supplier earned a good share of points with highlights that included support of green travel, energy reduction at their U.S. facilities and use of electronic documents to reduce paper usage.”

Going green — one small step at a time
Sacramento County, Calif.’s, contract and purchasing services division started its first step on its “Go Green” journey by discontinuing mailed solicitation packets to vendors. By posting bids online, printing and postage were reduced, as well as purchased paper and envelopes. Vendors experience better lead time on available bid opportunities, and county personnel time was reduced in preparing packages.

The county’s next big step was to move sourcing and bidding activities to an online system. Manually managed bidder lists were switched to an online vendor registration database where vendors manage their own data. The online process provides greater accessibility and transparency of public documents.

While the procurement process became digitized, hard copy contracts and purchase orders were still issued. Its enterprise resource planning finance system — SAP — had the ability to create electronic documents; however, the system automatically printed hard copies. Many contracting managers aren’t aware of the option to change this default setting. Seeing an opportunity to “Go More Green,” Sacramento County changed the setting from “hard copy” to “digital” for all contracts and purchase orders. This small decision resulted in big savings.

One issue still remained: the ultimate contract required dual signatures — county and vendor. For the latest “Go ALL Green” step, the county implemented electronic/digital signatures. When sending documents electronically to the awarded vendor, once electronically signed, the contracting officer is notified for final signature. All parties receive a fully executed electronic contract or purchase order. For contracts involving more signatures, such as county counsel, the system provides instant updates, making it easy to determine the status of document during the signature routing process.

Craig Rader, CPPO, CPPB, purchasing agent for Sacramento County, stated, “Although it has been a somewhat slow and lengthy process to get us to where we are today, I believe our actions to implement in small incremental steps was key in ensuring a successful outcome.”

Environment-friendly purchase through cooperative contracting
When going green, sometimes the issue is related to nature itself. Covington County, Ala., is a small rural community located above the western panhandle of Florida. Known for its hot and humid weather, frequent rains create the perfect environment for invasive vegetation growth. Weeds, bushes and trees grow in the right-of-way, ditches, sidewalks and roadways, causing infrastructure decay and public safety issues.

A small county team was tasked to clean 1,290 miles of road — a daunting responsibility doubled with two-sided roadways to be cleared. The traditional manner of using tractors with side boom mowers to tackle the brush is a long, hot process, with frequent equipment breakdowns and costly repairs. The county engineer, Lynn Ralls, approached the task in a more strategic fashion by purchasing a larger piece of equipment with greater capabilities. Instead of a long RFP process, Ralls chose to purchase equipment from a cooperative contract solution. Searching for available equipment through an already solicited and awarded contract, and then visiting the local dealer to view the equipment up close, the purchase of the Volvo EW180 was made quickly.

Operating the excavator with a crew of two, the county saw immediate results. An area that typically takes four to five weeks to clear was accomplished in two days. The wheeled excavator rolls along the road, without encroaching on protected areas, reaching vegetation by utilizing the 32.8-foot reach of a Pro Mac cutter. Taking down everything from high grass to splicing whole trees, Covington’s operators utilize...
multiple cameras for safety measures during the clearing process. With the ease of driving a wheeled excavator to a site, it also reduces the need for trailers, unloading/loading time and minimizes damage to asphalt roads.

Kathy Tedone, government buying contract specialist with Volvo Construction Equipment, stated, “Cooperative purchasing, such as this Sourcewell contract, allow local dealerships to provide municipal customers with high-quality equipment and service in their own communities, tailored to an agency’s specific needs, at our most competitive pricing available. This is a win for all of us — the manufacturer, local dealer, government customer and, most importantly, the taxpayers.”

Automation is key to going green

Today, many agencies have a commitment to minimize their impact on the environment by using technology. Doreen Cherry, the former procurement manager for Indianapolis Airport Authority in Indiana prioritized improvements within the airport’s procurement processes to reduce its environmental impact. Cherry stated, “Those departments that generate the most paper in government are typically procurement and finance; however, while finance has automated, procurement has fallen behind in automation efforts.”

To start her own research, Cherry visited eProcurement providers at a national procurement conference while conversing with attendees on their own eProcurement experiences. After the solicitation process started, consensus across the organization was obtained by forming cross-functional teams who viewed the demos provided by the top three selected eProcurement systems. Choosing PlanetBids, based on its ease of use, years of government experience and customer service, staff no longer had to manage announcements on the airport’s website. By using the online system with direct notifications, suppliers no longer had to spend time searching the website for opportunities or drive and deliver bid packages, adding another sustainability benefit.

Cherry explained, “When the first e-bid happened, Indianapolis Airport procurement said it changed their life! That might sound dramatic; however, less time is spent shuffling paper, and now staff has time to conduct research and become more strategic.”

Arpie Zavian, president of Planetbids, a certified woman-owned business, noted, “By moving government procurement processes onto our eProcurement system over the past two decades, we collectively have helped to save over 250,000 trees from being cut down. As a result, we share in the excitement of our end users in feeling good about making a difference to the environment through sustainable practices, while reducing risk and increasing efficiency.”

Tammy Rimes, MPA, is a keynote speaker, procurement consultant and executive director of the National Cooperative Procurement Partners, or NCPP. She served as former purchasing agent for the city of San Diego and implemented its first environmentally preferred purchasing program. She served during one of Southern California’s largest emergencies — the 2007 Witch Creek Fires, which raged for 17 days and destroyed over 2,000 homes and structures. Free educational materials on emergency preparedness, cooperative contracts and a free webinar series are available at www.NCPPAssociation.org.