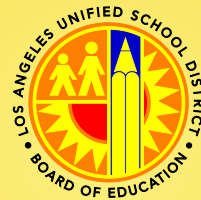


# California Green Schools Summit & Exposition



Los Angeles Unified School District  
Procurement Services Division

Marc Monforte  
Interim Director of Materiel Management & Purchasing

December 9, 2009

# Planning & Managing a School Sustainability Plan

The LAUSD has established a comprehensive District-wide sustainability program, which is inclusive of the procurement process. The procurement operation strives to buy products and institute practices that reduce waste, increase energy and water efficiencies, minimize pollutions, and reduce the environmental footprint.

The Procurement Services Division, through its Procurement Management and Materiel Management Branches, is responsible for the procurement of supplies, equipment, and services. Following is information related to the LAUSD's Green Procurement Plan/Policy, including its:

- Planning/Establishment
- Implementation & Management

# Planning/Establishment of an Environmentally Preferred Green Procurement Plan/Policy

(In support of LAUSD's Comprehensive Sustainability Program)

## **Goal to Support Sustainability Program:**

Adhere to the Board of Education's adopted "Buy Green and Lead the Way to Sustainable Business Practices" resolution that states that the District will develop a method to consider environmental factors as a consideration in procurement decisions (i.e., minimal safe packaging of all supplies and equipment, environmental footprints of the manufacturing and delivery process), and develop and implement a plan to minimize purchases of non-recycled content products, and products that cannot be reused or recycled.

# District Procurement Activity

The LAUSD is a large purchaser and consumer of various types of supplies, equipment, and furniture. These items are procured and used at over 1100 school/office sites, covering an area over 700 square miles. The District purchases both “stock” and “non stock items.”

## **Stock Purchases (Warehouse)**

- The stock items are carried in two main warehouses (General Stores and Foods). The General Stores Warehouse stocks over 3,000 different products (i.e., paper, stationery supplies, furniture, classroom and custodial supplies, etc.) and has annual sales of approximately \$70 million. The Foods Warehouse stocks over 700 products (i.e., frozen foods, groceries, staples, meat, and produce) and has annual sales of over \$95 million.

## **Non-Stock Purchases (Site-based)**

- In addition to items stocked in the various District Warehouses, the District procures over \$500 million in non-stock supplies, equipment, furniture, and general services. These purchases may be centralized and purchased by professional procurement staff, or may be decentralized purchases ordered directly by schools and offices.

# Green Procurement Plan/Policy

## **Focus of Plan/Policy:**

- The Green Procurement Plan/Policy covers all procurements, both of goods and services. The plan/policy supports the purchase of cost competitive green products and products that contain recycled content of equal utility and function, where a stable supply chain exists to meet the demands of our schools, and when there is little or no additional cost (economically feasible) to the District.
- The District's focus is on the three R's: Recycle, Reduce, Reuse. With this approach, the District will stay focused on its goal of purchasing items that are recyclable or contain recycle content; reduce product packaging, energy usage, deliveries, landfill waste, and carbon footprint; and reuse of salvage furniture and equipment items when possible.

# Green Procurement Plan/Policy (cont.)

## **Objectives of Plan/Policy:**

The objectives of a Green Procurement Plan/Policy is to establish a comprehensive District-wide Green Procurement Plan/Policy, which compliments the District's Comprehensive Sustainability Program which:

- reduces the District's carbon footprint;
- aligns District procurement policies with the Board of Education, state, local, and federal governments' sustainability efforts; and
- supports the purchase of cost competitive green products that contain recycled content of equal utility and function, is long lasting, reduces generation of solid waste, and conserves both energy and water resources.

# Green Procurement Plan/Policy (cont.)

## **Goals of Plan/Policy:**

The Green Procurement Plan/Policy addresses areas such as District policy, roles and responsibilities of Procurement Officials/Vendors, procurement costs, and overall goals related to managing and measuring success of the sustainability program. The LAUSD's Green Procurement Plan/Policy includes/addresses:

- Environmentally preferable product procurements
- Increasing the number of recyclable products purchased
- Decreasing packaging material/content
- Purchasing specifications and standardization of product to support effort
- Green procurement costs
- Sustainability policy/responsibility for vendors

# Elements of Green Procurement Plan/Policy

The LAUSD plan/policy is to purchase wherever/whenever practical, environmentally preferable products to meet its needs, and to foster market development of sustainable products. The District recognizes that the availability of recycled, green, or sustainable products may be product and/or periodically limited. Therefore, the plan/policy is intended to help develop the market for sustainable products, and to increase District usage of environmentally preferable products, where and when economically feasible, as the markets dictate and develop.

# Elements of Green Procurement Plan/Policy (cont.)

Green products and services will be considered as the first choice for all District procurements, whenever practicable. District policy allows the procurement of products that do not have a negative impact on the environment. These products should do one or more of the following:

- reduce the carbon footprint
- contain recyclable materials
- be compostable
- be recyclable
- minimize the impact to the environment
- reduce toxicity
- reduce pollutants
- be safe for workers, the community, and the environment
- encourage manufacturers to reduce packaging, production and distribution, and the impact to the environment

The procurement of green products should also be done in a responsible way as to minimize any additional money being spent in the actual procurement of these items.

# Elements of Green Procurement Plan/Policy (cont.)

The District will include in all contracts, language that governs green/recycled products. The contract language will assist the District in determining whether prospective vendors/contractors (bidders) have a “green policy” in place, if the commodities(s) bid contain green materials, and the percentage of recyclable materials used in each item. Furthermore, all vendors doing business with the District will be required to provide the percentage of recyclable materials that are used in the manufacturing of the supplied commodities. A contract database assists by listing the contractors/vendors that supply these commodities. These commodities will be identified as green/recycled products and tracked through a contract database for future reporting, and measurement of successful compliance with policy.

# Elements of Green Procurement Plan/Policy (cont.)

## **Environmentally Preferable Product Procurements:**

- All District personnel shall purchase environmentally preferred green products whenever it is practical to do so. Environmentally preferred products are those that are considered green, and/or sustainable, and/or reduce the negative impact on the environment.
- All products that have established minimum recycled content standard guidelines that are certified by an approved agency (i.e., Green Seal or Ecologo, etc.) are also considered environmentally preferred.
- Environmentally preferred products should contain one or more of the following characteristics:
  - Contain a minimum of 10% post consumer content
  - Be made with a minimum of 50% “rapidly renewable” materials
  - Be certified green by a recognized certifying agency
  - Have the Energy Star, EPEAT or other certified rating

# Increase Number of Recycled/Recyclable Products Purchased

## **Stock Items (Warehouse):**

- The District's General Stores Warehouse stocks approximately 3,000 stock keeping units (SKUs). Approximately 31% of these items contain recyclable materials. The goal is to increase the number of products stocked in the Warehouse that contain recyclable content by a minimum average of 5% per year for the next five years. Within five years, approximately 50% of all Warehouse products should contain recycled content.
- In addition to increasing the number of products that contain recycled content, another goal is to increase the percentage of materials that can be recycled after use. Additionally, the District seeks to purchase more biodegradable products, which break down naturally in landfills.
- The District Warehouse staff routinely track and report the number of products with recycled content and/or the percentage of recycled content in individual products for measurement of success and compliance with policy.

# Increase Number of Recycled/Recyclable Products Purchased (cont.)

## **Non-Stock Items:**

- The District spends hundreds of millions dollars annually on various types of equipment, furniture, and supplies. All District personnel involved in making purchases (centralized & decentralized) must ensure that products being purchased meet at least one of the criteria that ensure that the product is “green”. All specifications, procedures, and policies must be closely followed during the procurement process.

# Decrease Package Content

- Warehouse staff identifies products that can and should be packaged more economically. Buying staff works closely with various vendors/manufacturers in identifying the optimal packaging requirements that will reduce the amount of packaging waste that eventually goes to recycling or the landfill. One prime example is the paper towels that the District currently purchases. In the past, the towels were packaged in cardboard boxes but now are simply shrink-wrapped with heavy-duty plastic. This simple change represents tons of waste that was diverted from landfills. Procurement staff continues to look for ways to reduce the packaging content of the thousands of items that routinely flow through the Warehouses.
- While cardboard is recyclable, it takes up a lot of space in the District's recycle and rubbish bins. A decrease in packaging content will mean that fewer recycle/waste bins will be needed at school sites, which translate into significant dollar savings for the District.
- In addition to working with vendors to reduce packaging content, staff has modified the issuing/disbursement units of measure to closely align with purchasing units of measures. Purchasing and selling in larger units generates greater savings/better value, and also requires fewer deliveries which reduces the carbon footprint. Many items that were previously sold and disbursed as each, are now routinely sold in larger packaged units i.e., box, carton, dozen, etc.

# Purchasing Specifications and Standards

The District's goal is to purchase only those products that have a positive environmental impact and takes in consideration all aspects of manufacturing, packaging, transportation, storage, shipping, and disposal. Environmentally preferred products should be one or more, but not limited of the following:

- recyclable
- contain recycled content
- biodegradable
- non-carcinogenic
- low or no greenhouse gas emissions
- energy efficient
- water efficient
- non toxic
- compostable
- reduced packaging

# Purchasing Specifications and Standards (cont.)

## **Stationery/Paper Standards:**

- All paper products (i.e., office, custodial) shall contain post consumer content and be labeled as recyclable according to recycle standards and guidelines established by the U.S. Environmental Protection Agency (EPA). Paper that meets the EPA guidelines for “recycle” shall be labeled as such. The labeling should also include the percentage of recycled content.
- Whenever possible, all non-paper office products (i.e., file folders, binders, etc.) shall also contain post consumer content and be labeled as recyclable.

# Purchasing Specifications and Standards (cont.)

## **Electronic Appliances and Equipment Standards:**

- The introduction of energy efficient products in public and private organization has brought significant environmental and cost savings benefits. Using energy more efficiently avoids emissions from power plants, reduces the need for new power plants, and reduces energy bills.
- The District purchases equipment with the Energy Star rating whenever and wherever practical. Energy Star is a labeling program that certifies that all equipment bearing this label is in the top 25 percent of all similar products when ranked according to energy efficiency, and the equipment uses 25 to 50 percent less energy than comparable counterparts. The Energy Star labeling is available for various types of equipment such as computers, copiers, printers, refrigerators and heating and ventilation systems. All equipment displaying the Energy Star label meets Federal Energy Management Program standards and vendors supplying this type of equipment may be given a preference.
- The District also purchases, whenever practical, water-saving products such as low flush toilets and high efficient irrigation systems.

# Purchasing Specifications and Standards (cont.)

## **Chemical and Related Product Standards:**

- Chemicals shall be free of toxins and carcinogens and detergents shall be biodegradable and contain little or no phosphates. Solvents and refrigerants that contain chlorofluorocarbon and halon shall be phased out and all new purchases of these agents should be free of these chemicals. Industrial and institutional strength cleaners shall be certified and meet environmental preferred standards and performances.
- In support of the Board's direction to use only green custodial chemicals and related products, the District is currently transitioning non-green product to green.

# Green Procurement Costs

## **Costs of Green Products vs. Non-Green Products:**

- The District takes into consideration that there may be higher initial costs associated with the purchasing of green products. There may also be price differences between environmentally preferred products (green) products and virgin products on an ongoing basis. On average, this price difference may range from 5 to 15 percent higher for some green products. While the initial costs may be higher for green products, the high volume of purchases by the District may drive down the costs of environmentally preferred products to levels equal to or less than virgin products, in most cases.
- While cost is certainly a consideration when the District procures supplies, equipment, and furniture, it will not be the only overriding factor used by District Procurement Officials to determine the viability of its green procurement or sustainability program. A policy that gives Procurement Officials the discretion to pay a certain percent extra for environmentally preferred green products is still to be adopted. New District policy may allow buying staff to purchase green products that may be slightly higher in costs than virgin products. This allows the flexibility needed to approach purchases from both a fiscal and an environmental standpoint.

# Green Procurement Costs (cont.)

When determining procurement costs, the District considers “life-cycle costs.” These costs allow the District to view the overall costs, which includes the following:

- Reuse and recycling potential
- Effects of the products on the environment
- Maintenance costs
- Warranties
- Long term use (longevity) of item
- Reduced landfill costs
- Reduced water and energy use
- Ease of use (no expensive protective equipment needed)
- No special clean-up equipment needed
- Social and ethical concerns

By considering the total “life-cycle costs”, Procurement Officials can utilize a “best value” approach to procurement, and avoid the low-bid always wins approach.

# Green Procurement Costs (cont.)

## **Costs Associated with Identifying New Markets:**

- There may not be additional costs associated with identifying new markets for green products. As part of routine duties, District Procurement Officials identify emerging markets that may provide overall benefits to the District.
- For example, Procurement Officials have sourced several manufacturers and vendors who can supply biodegradable forks, knives, trash liners, and serving trays. One manufacturer is in the process of creating Styrofoam products that are biodegradable when placed in landfills. Since the majority of the District's landfill waste is generated by Food Services, any substantial reduction in waste will reduce the environmental impact.
- Procurement Officials have just recently worked closely with Maintenance & Operations staff to establish a green procurement program that has replaced the majority of the Operations Department's custodial cleaning chemicals, including chemical supplies, and some of its equipment items with green product. The costs associated with the new green chemical products are not any more than the non-green products that were replaced.

# Green Procurement Costs (cont.)

## **Cost Associated with Decrease Packaging Content:**

Procurement Officials work closely with manufacturers and suppliers to reduce unnecessary packaging (waste reduction/prevention). A decrease in the packaging content of items purchased by the District will not add any additional costs, and the District should actually realize an overall savings. A decrease in both primary and secondary packaging content can save the District money and can reduce costs by:

- Reducing the total number of rubbish bins at school sites
- Reducing landfill costs
- Reducing cost of products
- Reducing environmental impact
- Reducing transportation costs (less weight)

# Green Procurement Costs (cont.)

## **Cost Associated with Energy Efficient Equipment:**

- Energy efficient equipment may initially cost more than less efficient equipment, but usually costs less over time, and saves more money because of more durable and a longer useful life. The equipment also uses less energy, is easier and/or costs less to maintain. District Procurement Officials use the Energy Star formula for computing total life cycle costs of individual pieces of equipment during the bid award process.

# Sustainability Policy for Vendors

Vendors conducting business with the District should utilize practices of renewable resources and hold itself accountable for the environmental impacts of its activities and to operate in a socially responsible manner and protect the environment. Since the District has vendors from various business operations and industries, District policy will take into consideration the environmental needs of these industries in the policy.

# Sustainability Policy for Vendors (cont.)

In order to ensure that vendors comply with District policy and sustainability goals, the District can do the following:

- Establish a pre-qualified list of vendors, valid for 12-month intervals that are compliant with District sustainability efforts.
- Require vendors responding to Invitation for Bids/Requests for Quotations (IFB/RFP) to self-certify compliance with District green procurement/sustainability efforts.
- Require vendors responding to IFBs/RFPs to pursue a third party certification for their particular business operation (i.e., LEED certification from the US Building Council), or third party certification of products being sold.
- Vendors responding to IFBs/RFPs must provide documentation of their own sustainability program.
- Focus on procuring products and services with a reduced or minimal environmental impact as compared to other similar products/services that serve the same purpose.
- Require manufacturers/suppliers to use packaging that is reusable, recyclable, compostable and eliminate or reduce unnecessary packaging.
- Explore other methods of sustainability efforts for the District.

# Sustainability Policy for Vendors (cont.)

The District may also require (whenever practical) suppliers of various types of electronic equipment (i.e., computers and copiers) to take back (trade-in, etc.) used equipment for recycling, reuse, or proper disposal. This will be done whenever it is both practical and possible for supplier to perform.

# Conclusion

A comprehensive LAUSD Environmentally Preferred/Green Procurement Plan/Policy is advantageous in a number of ways. It positions the District as a great steward of the environment and demonstrates its leadership in social responsibility. A Green Procurement Plan/Policy results in the reduction in the carbon footprint, increase in landfill diversions, increase in number of products that contain recycled content, increase in number of products that can be recycled into other products, and reduction in greenhouse gases.

## Questions & Comments