



SUSTAINABLE PROCUREMENT POLICY REVIEW

SEPTEMBER 20TH, 2018

UNIVERSITY
OF
CALIFORNIA

Presented by:

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Overview

- What is Sustainable Procurement and why is it important to UC?
- Overview of Sustainable Procurement policy, Guidelines and Governance
- Highlights of key policy areas and impacts
- What's this means for you and how you can help!
- Upcoming trainings
- Questions?



Why is sustainability integral to our work?

*The University of California mission – teaching, research and **public service**.*

UC is an anchor institution in CA

- UC is 150 years old
- Teaches 238,700 students
- Has 198,300 employees
- 1.7M living alumni
- Contributes \$46.3B to the CA economy
- UC Operating budget \$34.5B (3x the size of the State of Arizona)
- 83% of undergraduates are CA residents
- 42% of undergraduates are first generation
- The majority of UC undergraduates are Latino or Asian American
- 38% of UC undergraduates qualify for Pell grants

Sustainable Development Goals



California Transparency in Supply Chains Act

Senate Bill No. 657

CHAPTER 556

An act to add Section 1714.43 to the Civil Code, and to add Section 19547.5 to the Revenue and Taxation Code, relating to human trafficking.

[Approved by Governor September 30, 2010. Filed with
Secretary of State September 30, 2010.]

LEGISLATIVE COUNSEL'S DIGEST

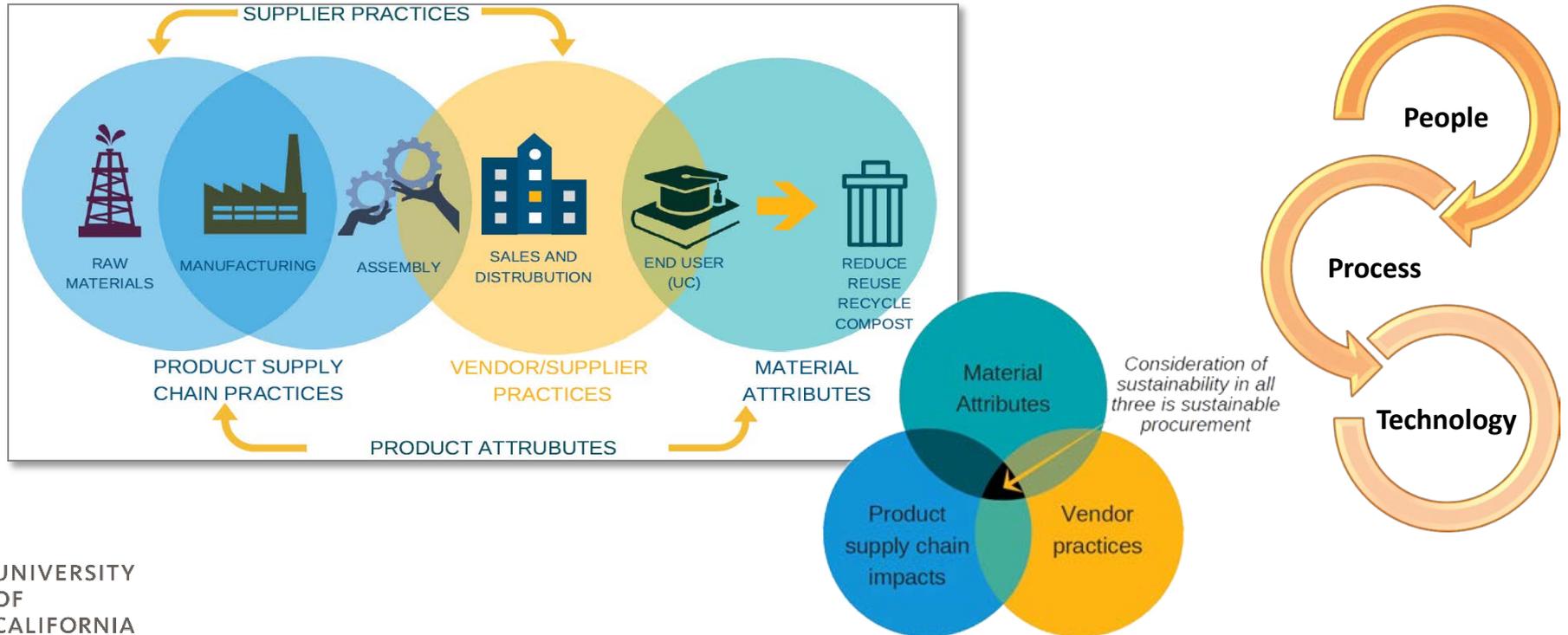
SB 657, Steinberg. Human trafficking.
The federal Victims of Trafficking and Violence Protection Act of 2000
establishes an Interagency Task Force to Monitor and Combat Trafficking

What is sustainable procurement?

How do we address all areas of our supply chain?

How do we balance the various aspects of sustainability?

How do we educate our stakeholders, provide them tools to achieve their goals?



Policy Update Overview

Sustainable Procurement Policy

*Approval required
by SSC & PLC*

The main policy provides some key principles, definitions and targets for Economically & Socially Responsible as well as Green Spend. And a few other items...

Sustainable Procurement Guidelines

*Updated with
PLC approval*

1. Defines what is UC "Green" or environmentally preferable
2. Defines what is UC "Economically and Socially Responsible"
3. Defines UC "Sustainable Spend" (piloting)
4. Provides guidance for solicitations (beyond certifications)

Sustainable Procurement Policies Reviewed

- EPA Recommendations of Specifications, Standards, and Ecolabels
- California Department of General Services Buying Green program
- San Francisco Department of the Environment
- New York State Office of General Services Purchase Green Requirements and Tools
- Commonwealth of Massachusetts Environmentally Preferable Products (EPP)
- Procurement Program
- Kaiser Permanente
- STARS Technical Manual version 2.1
- Harvard University
- Arizona State University
- Sustainable Procurement Leadership Council
- Responsible Purchasing Network
- Center for Environmental Health
- Northeast Recycling Council



Policy & Guidelines Governance

Representative	Campus	Title	Email
Dean Shehu	UCSF	Life Sciences Commodity Manager	dean.shehu@ucsf.edu
Loren House	UCB	Supplier Diversity Program Manager	loren1@berkeley.edu
Julie Alvarez	UCD	Sourcing Manager for Life Sciences	jalvarez@ucdavis.edu
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Yvonne Macon	UCOP	MRO Commodity Manager, Strategic Sourcing	Yvonne.Macon@ucop.edu
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Sustainable Procurement Working Group

- 1 member from each UC campus
- Meets monthly
- Primary and initial body to propose recommendations for updates to both the Policy & Guidelines
- Staffed by the UCOP Offices of Procurement & Sustainability

Procurement Leadership Council

- Chief Procurement Officer (or equivalent) from each UC campus
- Meets weekly
- Only required authorizing body for changes to Guidelines
- First authorizing body to review changes to Policy

Sustainability Steering Committee

- Vice Chancellor or Assoc. Vice Chancellor from all UC sites (includes student and faculty reps.)
- Meets annually
- Second authorizing body to review changes to Policy

Sustainable Procurement Policy

Policy effective as of August 10th, 2019!

- Renamed: **Sustainable Procurement** (*was Environmentally Preferable Purchasing*)
- Policy includes robust **packaging standards** and requirements
- Policy sets new **requirements for systemwide strategic suppliers**
 - Must identify products that meet UC standards in hosted/punchout environments
 - Must report quarterly on purchasing activity and annually on sustainable business operations
- The policy requires a minimum of **15% of the points** utilized in competitive solicitation evaluations to be **allotted to sustainability criteria** (to take effect in July 2019)
- Waste Policy section impacts...
 - The University prioritizes waste reduction in the following order: **reduce**, reuse, and then recycle
 - Zero Waste goal by 2020 impacts all purchasing decisions
 - Consider all products recyclable/compostable, focus on takeback programs, etc.
 - The University has disallowed the use of expanded plastic **foam** materials by 2020

Sustainable Procurement Policy (con't)

New Policy sets the following purchasing targets

Next 5 Fiscal Years (starting FY1819)

Reach 25% addressable spend with Economically & Socially Responsible Suppliers

Next 3 Fiscal Years (starting FY1819)

Reach **100% compliance** with Required Level green standards and **25% Preferred Level Green Spend** for select product categories.

To come...

Additions to Green Categories will be added over time. EaSR may also be expanded over time.

**Note – policy/guidelines apply primarily to campuses (LBNL, Medical Centers and C&D encouraged to align with policy, but reporting and other requirements are not directly mandated for these groups currently).*

New Reporting requirements include:

- Reporting on percent 'Green Spend' beginning at the close of FY18-19 on initial five product categories – **Electronics, Office Supplies, Indoor Office Furniture, Compostable Food Service Ware, Water Appliances/Fixtures**
- Reporting on percent Economically and Socially Responsible Spend beginning at the close of Fiscal Year 2018/19.

15% evaluation points requirement

Each University's Procurement department will integrate sustainability into its processes and practices, including competitive solicitations, in order to satisfy the sustainable purchasing goals outlined above for products, as well as for the procurement of services. The University will do so by:

- a. Allocating a minimum of 15% of the points utilized in solicitation evaluations to sustainability criteria. Criteria may include, but is not limited to, sustainable product attributes, supplier diversity, supplier practices, contributions to health and wellbeing, and materials safety. This requirement will go into effect on July 1st, 2019. Exceptions to this policy may only be granted by the appropriate Policy Exception Authority.

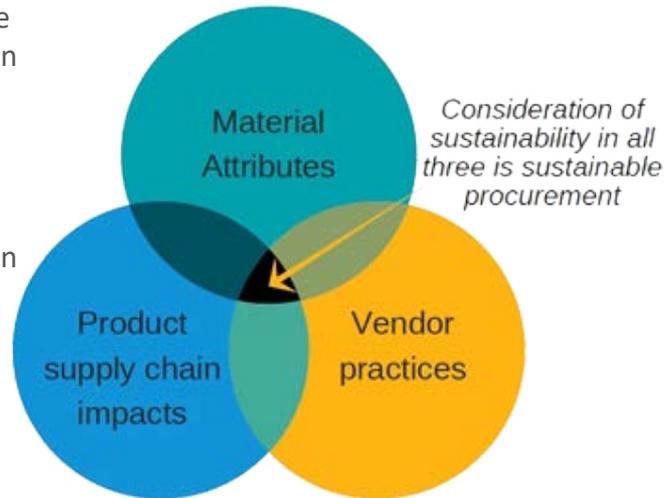
This minimum criteria requirement is an important message to all UC suppliers that we are serious about our assessment of TCO and creating a sustainable environment for the communities we serve.



What might a sustainability criteria include?

Sustainability criteria is a wide ranging description, which may include an evaluation of suppliers based on –

- Their **operational practices**
 - Codes of conduct, CSR policies
 - Employee treatment (wages, benefits, working environment – education, training, enrichment, etc.)
 - Investment policies
 - Community investment/public service
 - Facilities/buildings and their operation
 - Safety and human health
- Their **environmental impact**
 - Extraction of raw materials
 - Material attributes
 - Facilities/buildings and their operation
 - Delivery of services and products
 - Safety and human health
- Their **business status**
 - Are they a diverse supplier?
 - Are they a B-corp, non-profit, etc.



Guidelines: Green Spend

The Guidelines define UC "Green" certifications, minimum and preferred criteria for product/service categories.

The “green” guidelines are broken down into product category areas. For each category the guidelines define:

- ✓ **Recognized Certifications & Standards** – certifications/standards that make up foundation of ‘green’ elements of commodity category
 - 🚩 **Required Level** criteria/standards for the product category – minimum standard all products in category must meet
 - 🚩 **Preferred Level** criteria/standards for the product category – standard of product category that meets Green Spend goal

**Additional category specific specifications included in Guidelines Section 7*

Green Spend Categories (1)

Category	Required Level Criteria	Preferred Level Criteria
Electronics	*100% compliance required ENERGY STAR® EPEAT Bronze Registered  	*25% compliance goal *Must first meet Required Level ENERGY STAR® EPEAT Gold Registered  
Cleaning Supplies	A minimum of 25% of purchases are certified by: <ul style="list-style-type: none"> Green Seal UL Ecologo EPA Safer Choice Forest Stewardship Council (FSC)      	At least 75% of purchases are certified by of the recognized certifications    
Compostable Food Service Ware	Certified Compostable by Biodegradable Products Institute (BPI) or Green Seal (GS-35), or made 100% from uncoated, unlined, obviously plant-based material, and on the Cedar Grove Accepted Items List for Commercial Compostability   	Meets any additional criteria as described in the Compostable Food Service Ware section of the Guidelines
Water Appliances/Fixtures	WaterSense® Certified 	WaterSense® Certified 
Energy Star Applicable Equipment	ENERGY STAR® 	ENERGY STAR® 

Green Spend Categories – Office Supplies (2)

Category	Required Level Criteria	Preferred Level Criteria
Copy Paper	<p>*100% compliance required</p> <p>A minimum of 30% Post-consumer recycled content (PCRC) or agricultural residue content,† or Green Seal (GS-07) certified</p> <div style="display: flex; justify-content: center; gap: 20px;">   </div>	<p>*25% compliance goal</p> <p>*Must first meet Required Level</p> <p>100% PCRC or agricultural residue content, or FSC Recycled labelled, with additional preference for paper that is Processed Chlorine Free (PCF)</p> <div style="display: flex; justify-content: center; gap: 20px;">   </div>
Paper Office Supplies (other than copy paper)	<p>A minimum of 30% PCRC</p> <div style="display: flex; justify-content: center; gap: 20px;">  </div>	<p>100% total recycled content with minimum 50% PCRC; 90% PCRC wire components; water-based or plant-based adhesives; and additional preference for PCF, FSC Recycled, and/or Sustainable Forestry Initiative (SFI) labelled products[∞]</p> <div style="display: flex; justify-content: center; gap: 20px;">     </div>
Non-paper Office Supplies	<p>Meets the minimum EPA Comprehensive Procurement Guidelines (CPG) recycled-content levels for Non-Paper Office Products,[∂] and a minimum 30% recycled content for all writing utensils (dry-erase markers, highlighters, markers, pens, and pencils) or other plastic-based accessories</p> <div style="display: flex; justify-content: center; gap: 20px;">  </div>	<p>Meets the recycled content specifications in the Preferred EPP Specifications as listed by the Northeast Recycling Council (NERC), and free of antimicrobial coatings</p> <div style="display: flex; justify-content: center; gap: 20px;">  </div>
Toner	<p>Remanufactured^Δ or high yield</p>	<p>Remanufactured^Δ and high yield</p>

[∂] EPA's Comprehensive Procurement Program (CPG) designates products and accompanying recommendations for recovered content, both post-consumer material content and/or total recovered material content: <https://www.epa.gov/smm/comprehensive-procurement-guidelines-non-paper-office-products>

† Must come from sustainably grown and harvested, non-GMO sources that do not replace forest stands or food crops

Δ Shall meet the [State of California's Specifications for Remanufactured Toner and Ink Cartridges](#)

Green Spend Categories – Indoor Furniture (3)

Category	Required Level Criteria	Preferred Level Criteria
Indoor Furniture	<p>*100% compliance required</p> <p>Must meet all of the following:</p> <ul style="list-style-type: none"> • GREENGUARD Gold or SCS Indoor Advantage Gold <div style="display: flex; justify-content: space-around; align-items: center; margin-top: 10px;">   </div> • Free of the 6 classes of chemicals of concern as described in the Indoor Furniture Section of the Guidelines† <ul style="list-style-type: none"> • Flame Retardants • Formaldehyde and Volatile Organic Compounds (VOCs) • Per and Poly-Fluoroalkyl Substances (PFASs) used as stain/water/oil resistant treatments • Antimicrobials • Polyvinyl Chloride (PVC) • Heavy Metals 	<p>*25% compliance goal</p> <p>*Must first meet Required Level</p> <p>Must have at least one of the following additional certifications:</p> <ul style="list-style-type: none"> • BIFMA Level certified (preference for 2 or 3)  • Cradle to Cradle Certified (preference for Silver or Gold)  • Meets the Healthier Hospitals Initiative (HHI) Safer Chemicals Challenge and is listed on the Healthier Hospitals Healthy Interiors Goal website  • FSC Certified wood  • Textiles certified by one of the recognized certifications <ul style="list-style-type: none"> • GOTS  • Standard 100 by Oeko-Tex  • STeP by Oeko-Tex  • Cradle to Cradle  • Facts  • Complete Declare label  • Complete Health Product Declaration (HPD)  

† Products listed on the [Healthier Hospitals Healthy Interiors Goal Website](#) automatically meet this criterion

Guidelines: Economically & Socially Responsible

Goal: 25% spend with EaSR suppliers within five (5) fiscal years.

The "EaSR" guidelines list the certifications for select business classifications that we recognize as supporting Economically and Socially Responsible objectives. Spend with suppliers holding these certifications and criteria supports **economic diversity, social sustainability, fosters competition** and **strengthens California's economy**.

✓ **Recognized Certifications**— these are reputable government or nationally recognized certifications and criteria the UC utilizes for identifying suppliers that may have a positive impact on society and/or the economy

🚩 **Preferred Certifications** – reputable government or nationally recognized certifications and criteria *within California specifically* (there are no goals tied to preferred EaSR categories currently).

Economically and Socially Responsible Spend

target
25%

Why?

Aligns with Federal and State certifications and targets; State of CA (State of CA targets 25%; achieving >30% SBE spend)

UC campuses are anchor institutions within the State and local communities

SBE's play significant role in economy (create 2 of every 3 new jobs)

Local spend = greater local investment (yields can be 3x higher)

SB's invent more than half of U.S. technological innovations

Included Criteria/Certifications -

Small Business Enterprises

All gov. agency certifications, SBA certification criteria, HUBzone, 8(a), etc.

Disadvantaged Business Enterprises

Single certification criteria nationwide

Women-owned Businesses

All state and federal certifications (includes non-small businesses)

Minority Business Enterprise

All gov. agency certifications (includes non-small businesses)

Veteran-owned/Service Disabled Veteran-owned Businesses

All gov. agency certifications (includes non-small businesses)

**Exploring Local Business Enterprise Goal(s)

Local business goals by campus/region and/or general CA-based businesses goal.



Goal includes more than just Small Businesses

What can you do?

Who are YOU?	How the Policy Impacts You...	Resources to Leverage...	How you make an IMPACT!
Strategic Sourcing & Campus Procurement	<ul style="list-style-type: none"> Sourcing practices are changed (15% sustainability criteria in RFPs, contracting changes with suppliers, implementation of Green and EaSR criteria) Annual Reporting 	<ul style="list-style-type: none"> Policy & Guidelines RFX Library & CalUSource Sustainability template(s) (to come) Updated Forms & Templates SPLC member resources Supplier Scorecarding - EcoVadis Pilot in Phase II 	<ul style="list-style-type: none"> Support huge shifts in strategic supplier relationships to make our supply chains more sustainable Track improvements over time Support major industry changes
Department Buyer	<ul style="list-style-type: none"> Know policy and guidelines to make informed buying decisions Buy on-contract sustainable products (EPEAT Gold, EPA Safer Choice, etc.) Buy with local, small and diverse suppliers! 	<ul style="list-style-type: none"> Policy & Guidelines SPLC member resources Category buying guides (to come) UC contracts UC eCommerce systems 	<ul style="list-style-type: none"> Contracting only goes so far, we need to make <u>daily buying decisions</u> that align with our values and larger UC sustainability initiatives REDUCE, Reuse, recycle Consider Total Cost of Ownership, not just upfront cost
Analytics & Systems	<ul style="list-style-type: none"> Support implementation of changes to Sourcing practices in applicable systems (template document updates, supplier/product flagging). Support long term development of means to gather product level sustainability data internally over time. Develop TCO practices for major Commodity Categories. 	<ul style="list-style-type: none"> Upstream and Downstream technology (Unified Instance, CalUSource, etc.) Third Party data providers (supplier diversity data cleansing, supplier scorecard platforms, LCPtracker, etc.) 	<ul style="list-style-type: none"> Create technology environment that allows UC to procure goods and services in a sustainable manner; accessing and utilizing data in the most efficient manner possible

What can you do?

Who are YOU?

How the Policy Impacts You...

Resources to Leverage...

How you make an IMPACT!

Sustainability Office

- Know policy and guidelines to make informed buying decisions
- Support your Procurement departments on major bids and encourage contract utilization and regular reporting
- Support and collaborate with the SPWG on future initiatives

- [Policy & Guidelines](#)
- Category buying guides (to come)
- UC contracts
- UC eCommerce systems

- Educating our UC-wide population on the importance of buying sustainably is key to the success of these changes
- Encourage UC stakeholders to choose sustainable alternatives in line with policy & guidelines
- Speak to and align Sustainable Procurement with your other initiatives (Zero Waste, Food, Water reduction, Carbon Neutrality).

Supplier Diversity Coordinator

- Economically and Socially Responsible Spend goal will need strategic planning to be successful at each campus
- Provide guidance to stakeholders on small & diverse suppliers for bids and buying
- Educate EaSR businesses on working with UC and encourage them to also support sustainability in their own operations

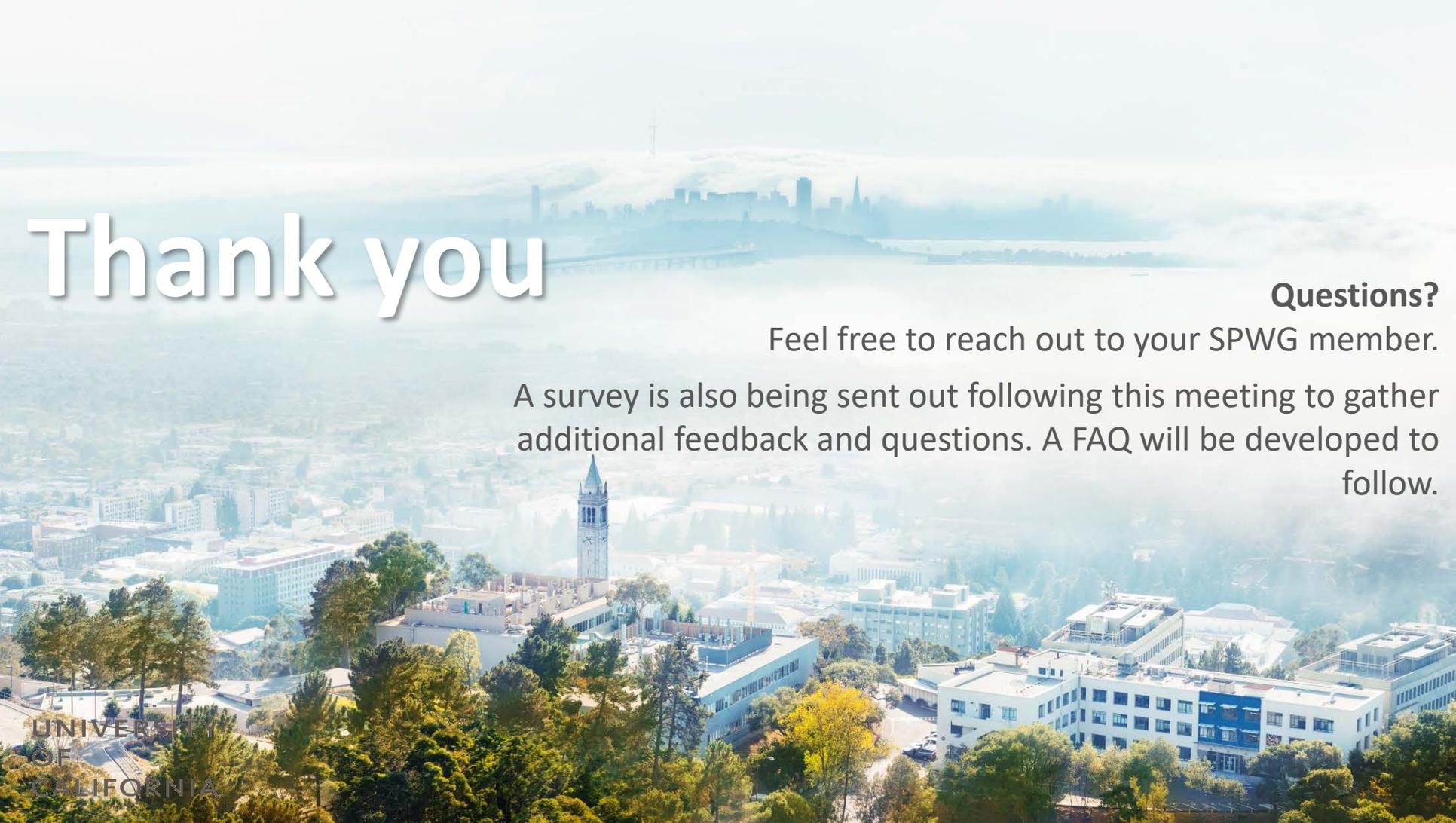
- [Policy & Guidelines](#)
- [UC Supplier Diversity Database](#)
- Regional and national business networks
- SBA and DGS resources

- Supporting our local, small and diverse businesses is an integral mission of UC as an anchor institution in our various communities
- Supporting Sourcing and Buying teams is key to making our local economies sustainable and more competitive

Mystery Person?

If you're a member of the UC community that doesn't fall neatly into one of the groups listed above no problem! Educate yourself on our Sustainable Practices Policy and UC Sustainability Initiatives. Our success depends on everyone making individual day-to-day changes and supporting bigger movements.

If you have questions about Sustainability at UC, you can reach out to your campus Sustainability [Office](#). If you have questions specific to Sustainable Procurement or want more information reach out to your Sustainable Procurement Working Group representative.

An aerial photograph of the University of California campus, showing various buildings and greenery. In the background, a city skyline is visible across a body of water, with a bridge connecting the two areas. The sky is hazy, and the overall scene is bathed in soft, natural light.

Thank you

Questions?

Feel free to reach out to your SPWG member.

A survey is also being sent out following this meeting to gather additional feedback and questions. A FAQ will be developed to follow.