DEPARTMENT OF THE NAVY
OFFICE OF THE ASSISTANT SECRETARY
(RESEARCH, DEVELOPMENT AND ACQUISITION)
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OCT 18 2011

MEMORANDUM FOR DISTRIBUTION

SUBJECT: Improving Sustainable Acquisition and Reporting

Promoting environmental stewardship through the Federal Government's acquisition practices is critical to the Government's efforts to protect our country's natural resources and meet our environmental responsibilities. The attached Office of Federal Procurement Policy memorandum, *Improving Sustainable Acquisition and Reporting,* serves two purposes:

1. Advises requirements generators of the Federal Government's goals to reduce carbon footprint through improved energy efficiency; to reduce petroleum consumption; and to demonstrate leadership in improving the environment when developing acquisition requirements; and
2. Advises of changes to the Federal Procurement Data System to better capture sustainability-related data on Federal acquisitions.

To meet the requirement that 95% of contract actions include sustainability requirements, requirements generators need to consider the objectives of Executive Order 13414, *Federal Leadership in Environmental, Energy, and Economic Performance*, when developing acquisition requirements. Emphasis on promoting environmental leadership should be considered in the earliest stages of requirement development. Requirement packages must contain a statement that environmental impact was considered in developing the package and, to the extent practicable, identify the environmental attributes.

Contracting activities shall work with the requiring activity to ensure Contract Action Reports include appropriate environmental reporting.

Questions or comments may be directed to Bob Johnson who is available at robert.f.johnson@navy.mil or 703-693-2936.

Elliott B. Branch
DASN(AP)

Attachment: As stated

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EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
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OFFICE OF FEDERAL
PROCUREMENT POLICY

October 5, 2011

MEMORANDUM FOR CHIEF ACQUISITION OFFICERS
SENIOR PROCUREMENT OFFICIALS
SMALL AGENCY COUNCIL MEMBERS

FROM: Daniel I. Gordon
Administrator for Federal Procurement Policy
Office of Management and Budget

SUBJECT: Improving Sustainable Acquisition and Reporting

Promoting environmental stewardship through the Federal Government's acquisition practices is critical to our ongoing efforts to protect our country's natural resources. The size and scope of the Government's acquisition system require that agencies pay careful attention to what they buy to ensure we meet our environmental responsibilities. The purpose of this memorandum is to highlight activities that support sound sustainability practices and to provide guidance on new efforts to increase the amount of information available about agency purchases of recycled content, energy efficient, biobased, and environmentally preferable products and services.

The Administration has taken a number of key steps to ensure that Federal agencies are procuring goods and services responsibly. For example, Executive Order (E.O.) 13514: *Federal Leadership in Environmental, Energy, and Economic Performance*[1] establishes goals for Federal agencies to reduce their carbon footprint through improved energy efficiency, reduced petroleum consumption and demonstrated leadership on environmental issues. E.O. 13514 makes the reduction of greenhouse gas emissions a priority; requires agencies to develop sustainability plans; and sets energy, water, and waste reduction goals for Federal agencies.

Of particular interest to the acquisition community is a requirement for 95% of all applicable new contract actions to include sustainability requirements, such as procuring federally-designated green products, and the Federal Acquisition Regulation (FAR) is being revised to reflect this requirement.[2] The FAR is also being revised to require that Federal agencies procure designated items composed of the highest percentage of biobased content practicable.[3] These changes support a continued focus on promoting sustainable acquisition practices in Federal agencies through acquisition planning and execution.

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[1] E.O. 13414 signed October 5, 2009 http://www.whitehouse.gov/assets/documents/2009fedleader_eo_rel.pdf
[2] FAR Case 2010-001, 76 Fed. Reg., 31395 (May 31, 2011) http://www.gpo.gov/fdsys/pkg/FR-2011-05-31/pdf/2011-12851.pdf
[3] FAR Case 2010-004, 76 Fed. Reg., 41179 (July 13, 2011) http://www.gpo.gov/fdsys/pkg/FR-2011-07-13/pdf/2011-17453.pdf

To further support agency efforts, the General Services Administration's (GSA) Integrated Acquisition Environment (IAE) changed the Federal Procurement Data System (FPDS) to enable agencies to better capture sustainability-related data on mandatory purchase requirements. For example, contracting officers will now be able to select from a drop-down menu if the product or service being purchased is energy efficient, biobased, or has other characteristics. These initial changes will be effective in October to support collection of information for Fiscal Year (FY) 2012.

Additionally, the IAE recently updated the Product Service Code (PSC) manual. These updates allow for increased collection of information on purchases that are (1) biobased, (2) energy efficient, and (3) environmentally preferable. These changes, coupled with the existing capability to capture information about procurement of recycled products (those with recovered content), expand agencies' abilities to more accurately report their sustainable acquisitions. The updated PSC manual can be found at www.acquisition.gov .

The newly added environmental attributes in the PSC manual are defined in accordance with FAR Part 2.101. To further assist contracting officers in selecting the appropriate codes, the updated PSC manual provides additional clarity as to what should be considered under the definition of environmentally preferable, such as EPEAT-registered products and others identified in E.O. 13514. Designation of environmental attributes for product and service procurements remains at the discretion of the contracting officer.

Agencies are encouraged to carefully consider the predominant aspects of each acquisition when determining how to code the sustainability attributes. Choosing the suitable environmental attributes for service contracts may be more complex than determining the appropriate environmental attributes for contracts that procure products. To assist the acquisition workforce in quickly understanding the revisions to the PSC, a summary "crosswalk" and additional information are available at www.acquisition.gov. Briefly, agencies are asked to:

(1) Consider the results or outcomes of the services being acquired and whether these can/should include materials, equipment, or support that can be considered sustainable (for example, construction);
(2) Consider the materials, equipment, buildings or items being serviced through the contract that may have an environmental impact or attributes (for example, janitorial/laundry/cafeteria); and
(3) Consider the life cycle impacts, including manufacturing, operation, maintenance and disposition, of products and services that may have an environmental impact (for example computers, electronics).

These changes should improve agencies' information collection efforts, reduce the reporting burden related to the Resource Conservation and Recovery Act (RCRA) report, and streamline agency input and reporting for the OMB Scorecard on Sustainability/Energy and annual Sustainability Plans.

Supporting environmentally responsible acquisition practices is critical to protecting our natural resources. Thank you for your continued focus on this and other important acquisition initiatives.