

Supply Chain Management Procedure 1

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Green Procurement Plan

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Scope

The purpose of this document is to outline procedures for compliance with TVA Environmental Policy (EPR) #5, *Green Procurement Policy*. That policy states TVA will comply with Federal statutes and executive orders requiring government agencies to procure certain products which minimize impacts to the environment. Included are products containing recycled content, Energy Star products, Federal Energy Management Program (FEMP) designated products, low standby power using products, and bio-based products (excluding fuels).

This document applies to the buying staff in TVA's Procurement organization as well as to anyone with TVA Purchasing Card authority who procures products on behalf of TVA, including contractors who procure products for use on TVA property/sites/projects. The plan also applies to Technical Contract Managers and specification writers who are active in procurement planning or development of technical specifications for products in the affected categories.

The current Federal Statutes and Executive Orders (E.O.s) addressed in this revision of the TVA Green Procurement Plan are:

- Resource Conservation and Recovery Act, Section 6002,
- Farm Security and Rural Investment Act of 2002,
- Energy Policy Act of 2005 (EPA05),
- E.O. 13101, Greening the Government Through Waste Prevention, Recycling, and Federal Acquisition,

- E.O. 13123, Greening the Government Through Efficient Energy Management,
- E.O. 13148, Greening the Government Through Leadership in Environmental Management,
- E.O. 13149, Greening the Government Through Federal Fleet and Transportation Efficiency,
- E.O. 13221, Energy Efficient Standby Power Devices, and
- The Federal Electronics Challenge.

Specific categories of products for which “Green” products should be procured are:

- Any product which might contain recycled materials,
- Office products such as paper and toner cartridges,
- Any energy consuming product (basically anything with an electric plug or connection),
- Electronic devices (must have a low-power standby mode),
- Electric motors of 1-500 HP,
- Certain building products such as windows, doors and skylights,
- Certain construction products such as concrete, and
- Certain oils and lubricants.

Procedure

Compliance with TVA’s *Green Procurement Policy* requires Green Products to be utilized whenever they satisfy TVA’s requirements and do not increase the life cycle cost of the product. Compliance with TVA’s *Green Procurement Policy* requires awareness of the requirements in the planning, solicitation and buying steps of procurement. Knowledge and awareness on the part of specification writers, Technical Contract Managers (TCMs), Procurement Contract Managers and Procurement Agents (CM/PAs), and Purchasing Card holders is essential to ensure specific requirements are researched and the correct products specified, sought out and purchased. The earlier in the process that the requirement is made known to all involved parties, the easier the task of compliance.

To assist all parties in compliance with the *Green Procurement Policy*, a product matrix is included in this plan as Appendix 1 - Sample-Green Procurement Product Matrix. Employees can refer to the Product Matrix to determine if the product they are interested in is subject to Green Procurement guidelines. If the product is found, the appropriate requirements should be included in the procurement specification, Request for Proposal (RFP) or product description.

Procurement CM/PAs should include the appropriate clauses from Terms and Conditions (T&C) Generator in all solicitation and contract documents. If compliant green products cannot be found or are not viable from a financial standpoint, the CM/PAs should document the procurement file and PassPort accordingly.

When requested by Environmental Stewardship and Policy (ES&P), Procurement shall provide a report of the dollar value of the commodity types covered by Green Purchasing initiatives and the dollar value of those procurements where Green Products were actually purchased. Additionally, ES&P will request a report identifying items which were procured that did not meet Green Procurement specifications and the reason for their non-purchase, such as life cycle cost analysis, unreasonable cost per unit basis, nonavailability, equipment manufacturer warranty issues, etc.

All TVA employees and contractors shall be made aware of TVA's Green Procurement Policy through publicity such as TVA Today. All persons involved in acquisition planning or execution shall receive training on the policy's implementation via the *Green Purchasing Plan*. ES&P and Internal Energy Management (IEM) will review the *Green Purchasing Plan* for consistency with applicable requirements at least annually. Changes will be sent to Procurement for incorporation into the plan, as needed.

Instructions

Following is a list of steps to be taken to be in compliance with the Green Procurement Plan.

- A. Procurement buying staff or Purchasing Card holder receives requirement. (This may be by receiving a technical specification, through the CM/PA's PassPort backlog, or in the case of a Purchasing Card holder, verbal request or first-hand knowledge)
- B. The Green Product Matrix (Appendix 1 - Sample-Green Procurement Product Matrix to this Plan, and found on the Procurement web site), is consulted to see if the product requested has Green Procurement requirements.
- C. If requirements do exist, these are conveyed to the potential supplier or bidders. Sample language is found in Appendix 2 - Green Procurement Contract Clauses to this plan, and is also found on Procurement's T&C Generator. This language is intended to be included as a contractual requirement.
- D. If a supplier provides compliant products, the Procurement CM/PA annotates PassPort accordingly when entering the order. Likewise, if compliant products are not available or are not economically feasible, PassPort and the procurement file are annotated appropriately.

Roles and Responsibilities

TVA Environmental Stewardship and Policy (ES&P)

Environmental Policy (EP)

Under the management of TVA's Agency Environmental Executive, TVA EP Staff shall monitor Federal environmental laws, statutes, and executive orders and, with the assistance of TVA's Office of General Counsel (OGC) identify those which apply to the agency. They will convey these requirements to the Procurement organization, and work with them and other TVA organizations in the implementation process. They will be responsible for developing the Product Matrix included as Appendix 1 - Sample-Green Procurement Product Matrix to this plan which delineates the affected products along with their specific requirements.

Process and Performance Management (PPM)

The PPM Staff will be responsible for coordinating data reporting outside the agency and tracking Federal scorecard results against green procurement objectives. The PPM staff in conjunction with Procurement shall be responsible for general awareness publicity (such as TVA Today) within TVA of Green Procurement benefits and requirements.

TVA Internal Energy Management (IEM)

Under the management of TVA's Senior Energy Official, TVA IEM Staff shall monitor Federal energy laws, statutes, and executive orders and, with the assistance of TVA's OGC identify those which apply to the agency. They will convey these requirements to the Procurement organization, and work with them and other TVA organizations in the implementation process. They will be responsible for developing the Product Matrix included as Appendix 1 - Sample-Green Procurement Product Matrix to this plan which delineates the affected products along with their specific requirements. The IEM will also be responsible for coordinating data reporting outside the agency and tracking Federal scorecard results against energy efficiency objectives. The IEM shall be responsible for general awareness publicity within TVA of Green Procurement benefits and requirements.

Employee Technical Training and Organizational Effectiveness (ETT&OE)

The training staff within ETTEO shall be responsible for ensuring that the training materials are consistent with the Green Procurement Policy and the Green Procurement Plan and delivery of these materials.

Technical Contract Managers

TCMs shall be aware of Green Procurement requirements and shall consider and follow these guidelines when engaged in acquisition planning. TCMs shall endeavor to use Green Products wherever and whenever possible.

Specification Writers

TVA employees who are responsible for developing requirements used in the procurement of products, supplies or equipment should be aware that Green Procurement requirements exist, and that Federal laws and statutes require that they be followed. These requirements should be thoroughly considered in the preparation of procurement specifications.

Procurement Staff

Procurement Staff shall be aware of Green Procurement guidelines, as well as specific requirements by referring to the product matrix to determine if products they are buying are affected. If so, they should include the appropriate solicitation and contract language in the procurement documents. They shall properly code the purchase in PassPort to allow accurate periodic reporting. If products that satisfy the Green Procurement requirements are not available or are not cost effective, they shall properly document the procurement file with a memorandum explaining the circumstances.

Procurement Staff shall also be responsible for compiling reports when requested by ES&P or IEM. They shall be responsible for providing Green Procurement training to all the buying staff, and including Green Procurement requirements in the TCM training curriculum and purchase card holder training curriculum. Procurement will be

responsible for maintaining the Green Procurement Plan, hosting it on the Procurement Web Site, and working with ES&P and IEM on Green Procurement implementation.

Purchase Card Holders

TVA designees with authority to purchase products with an agency purchase card shall be responsible for the requirements of the Green Procurement Plan. These employees or contractors shall be familiar with the Green Procurement Product Matrix and shall ensure the products they buy via credit card are compliant with its requirements.

Definitions

Affirmative Procurement - Term replaced by Green Procurement.

Biobased - A biobased product is defined in the Farm Security and Rural Investment Act as a product determined by the Secretary of Agriculture to be a commercial or industrial products (other than food or feed) that is composed, in whole or in significant part, of biological products or renewable domestic agricultural materials (including plant, animal, and marine materials) or forestry materials

Energy Star - ENERGY STAR is a joint program of the U.S. Environmental Protection Agency and the U.S. Department of Energy helping us all save money and protect the environment through energy efficient products and practices.

FEMP designated Products - Federal Energy Management Program (FEMP) designates energy using products that meet prescribed energy efficiency and sustainable standards.

Green Procurement - Procuring products which reduce TVA's impact to the environment.

Records

QA Records

None

Non-QA Records

The Green Product Matrix contains commodity codes which allow PassPort to be queried to produce a report of all Green Product categories purchased for a given period of time. PassPort can distinguish between compliant and non-compliant purchases based upon the clauses included by the CM/PA upon order entry. Procurement may also ask leverage contractors who receive a large amount of credit card orders to produce Green Product Reports to capture purchase card procurements.

Resources

- TVA Practices list
- TVA Procedures list

Revision History

Effective Date: 07/09/2007

Revision: 001

Appendices

Appendix 1 - Sample-Green Procurement Product Matrix

Appendix 2 - Green Procurement Contract Clauses

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EPACT05 and EXECUTIVE ORDER 13123 - ENERGY EFFICIENCY

The Energy Policy Act of 2005 and Executive Order 13123 “Greening the Government through Efficient Energy Management” require Federal agencies purchasing energy consuming equipment to purchase Energy Star products or energy-efficient products designated by the Department of Energy’s Federal Energy Management Program (FEMP). Vendors who supply equipment to TVA must in turn comply with these guidelines. Equipment supplied on this contract has been identified by TVA to be subject to these energy efficiency requirements.

"Energy efficient" includes products in the top 25th percentile of efficiency and standby power devices. Both the Energy Star program and FEMP have websites identifying energy efficient products and guidance for purchasing these products. FEMP also has established a Standby Power Device Product Listing with information on such products as computers, fax machines and printers. Refer to www.energystar.gov (<http://www.energystar.gov/>) and <http://www.eere.energy.gov/femp/procurement/> for additional information.

The following language is already in use by TVA for computer equipment.

ENERGY STAR

The EPA’s Energy Star Computers program is a cooperative effort with computer manufacturers to promote the introduction of energy-efficient microcomputers, and printers and to reduce air pollution caused by power generation. To qualify for the EPA Energy-Star, microcomputers and monitors must be able to power down to and recover from a

low-power state of 30 watts or less when inactive (or 50 watts when the monitor is included in the computer casing and is not powered directly from the wall outlet). Printers must be able to power down and recover from a low-power state of 30-45 watts, depending on the printer speed. Microcomputers, monitors, and printers shall be equipped with or meet the energyefficient low-power standby feature as defined by the EPA Energy Star efficiency levels. This low-powered feature must be activated when the computer equipment is delivered to the energy and must be capable of entering and recovering from the low-power state unless the equipment meets the EPA Energy Star requirements at all times.

All manufacturers and vendors providing microcomputers, monitors, and printers to the Government must meet the above criteria.

EXECUTIVE ORDER 13221 - STANDBY POWER

Presidential Executive Order 13221, "Energy-Efficient Standby Power Devices" requires Federal agencies purchasing energy consuming equipment to purchase products that use minimal standby power. Vendors who supply equipment to TVA must in turn comply with these guidelines. Equipment supplied on this contract has been identified by TVA to be subject to these standby power requirements.

Both the Energy Star program and FEMP have websites identifying energy efficient products and guidance for purchasing these products. FEMP also has established a Standby Power Device Product Listing with information on such products as computers, fax machines and printers. Refer to www.energystar.gov (<http://www.energystar.gov/>) and <http://www.eere.energy.gov/femp/procurement/> for additional information.

FARM SECURITY AND RURAL INVESTMENT ACT OF 2002 - BIO-BASED PRODUCTS

The Farm Security and Rural Investment Act of 2002 requires Federal Agencies to purchase biobased products designated by the U.S. Department of Agriculture (USDA). Suppliers of designated products to TVA must comply with these guidelines. Products supplied on this contract have been identified by TVA to be subject to Biobased requirements. Refer to http://www.biobased.oce.usda.gov/public/bio_items.cfm for the list of designated products, USDA's recommendations, and additional information.

EXECUTIVE ORDER 13101 - ENVIROMENTALLY PREFERABLE PRODUCTS

Presidential Executive Order 13101, "Greening the Government Through Waste Prevention, Recycling, and Federal Acquisition" emphasizes the significance of purchasing environmentally preferable (EPP) products. These products can be viable alternatives to existing products that contain hazardous materials or toxic chemicals, such as green cleaning products or mercury-free thermometers. Green cleaning products fall under this Executive Order. Materials supplied on this contract have been identified by TVA to be candidates for EPP guidelines. Refer to www.epa.gov/epp (<http://www.epa.gov/>) for summaries of the pilot projects, sample contract language, standards information, product sources, and additional information. Refer to <http://www.ofee.gov/gp/gp.htm> for more information about green cleaning products and other environmentally preferable products and services.

RCRA SECTION 6002

Recommended Change to Contract Language: Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act (RCRA), imposes certain requirements on Federal agency procurements involving items containing materials recovered from solid waste. Guidelines issued by the Environmental Protection Agency (EPA) under Section 6002 have designated certain products as products for which affirmative procurement actions are required. Accordingly, if, in connection with contracts for the above product, two or more otherwise identical low offers are received which offer different levels of recovered materials, a preference will be given to the offer with the highest level of recovered materials.

Materials supplied on this contract have been identified by TVA to be subject to minimum standards as published in the Comprehensive Procurement Guidelines (40 CFR 247). Refer to www.epa.gov/epp (<http://www.epa.gov/>) for summaries of pilot projects, sample contract language, standards information, product sources, and additional information. Refer to <http://www.ofee.gov/gp/gp.htm> for more information about green cleaning products and other environmentally preferable products and services.

(Note: The following is existing approved TVA language)

RECOVERED/RECYCLED MATERIALS

Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act (RCRA), imposes certain requirements on Federal agency procurements involving items containing materials recovered from solid waste. Guidelines issued by the Environmental Protection Agency (EPA) under Section 6002 have designated certain products as products for which affirmative procurement actions are required. Accordingly, if, in connection with contracts for the above product, two or more otherwise identical low offers are received which offer different levels of recovered materials, a preference will be given to the offer with the highest level of recovered materials.

Certification. Contractor, by entering into the Contract, certifies:

- A. The percentage of recovered materials to be included in the product supplied will be in accordance with the applicable specifications or other contractual requirements;
- B. Estimates that _____ percent of recovered material will be used and that a total quantity of recovered material to be supplied under the Contract will be approximately ____;
- C. Agrees that the Contractor's records and facilities will be made available to TVA upon request, for inspection or audit, to assure that any purchases of products in connection with this Contract comply with all applicable contractual requirements, including provisions on applicable recovered material content and the quantity of recovered material used;
- D. Agrees, at least annually, to certify the minimum amount of recovered material actually utilized.

Nothing herein shall be construed as relieving Contractor of the responsibility of providing a satisfactory product. The certification requirements set forth above are in implementation of the requirements of Section 6002 of the RCRA and the EPA implementing guidelines on products containing recovered materials and are entirely separate from and unrelated to any applicable quality control and quality assurance procedures. Contractor is entirely responsible both for the quality of the ingredients used in the product and for meeting appropriate performance requirements.

In those instances when recycled material/product is acceptable, TVA reserves the right to choose the material/product that will be furnished (new vs. recycled) under the Contract. An item containing at least 1% recycled material is considered a recycled product, unless there are published minimum specifications. Offerors proposing to furnish recycled material must provide the percent of recycled material and recycled price/unit on each item being offered.

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