



Oregon
Environmental
Council



Sustainable Procurement Leadership in Oregon

Recommendations from Oregon's Safer Products Procurement Workgroup

OREGON ENVIRONMENTAL COUNCIL

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Executive Summary

Oregon is known as a state where government works. Our elected officials and the dedicated professionals that staff our agencies are responsible and innovative. This can-do attitude and commitment to the people of Oregon gives us a timely opportunity to utilize public procurement (the purchase of products and services that state agencies, local governments, and schools need in order to function) to serve broader societal goals, such as growing Oregon's economy, fostering innovation, promoting equity, protecting our health, and protecting the quality of our air, land, and water.

Sustainable procurement is a powerful instrument for mitigating risks and saving money. It is fiscally responsible and ensures that we get the best overall value for taxpayer dollars. It promotes transparency and accountability on the part of government.

Almost twenty years ago, when Oregon established an Oregon Sustainability Act, public procurement was recognized as a foundational element in accomplishing the state's sustainability goals. But some states have accelerated past us, adopting and implementing more robust policies and procedures. Now is the time for renewed Oregon leadership and action on this issue.

In 2017-18, Oregon Environmental Council brought together leaders in sustainable procurement and other important stakeholders to develop recommendations for taking Oregon's sustainable procurement efforts to the next level.

The Oregon Safer Products Procurement Workgroup (the Workgroup) developed this report to serve as a preliminary roadmap for policymakers and other decision-makers who are interested in strengthening the State of Oregon's sustainable procurement policy, program infrastructure, procedures, and practices.

The Workgroup acknowledges the solid foundation of previous and ongoing work in Oregon at the state and local government levels, including policies and practices that were leading edge in the nation when they were established. The Workgroup's recommendations build on that foundational work, while guiding development of a comprehensive program that includes state-of-the-art policies, procedures, specifications, and tools. When fully implemented, these recommendations will help make Oregon a national leader in sustainable public procurement.



Findings

The Workgroup finds that making Oregon a national leader in sustainable procurement is well within reach. The State of Oregon does not have to start from scratch or go it alone in this effort. There are many examples, best practices, and experienced professionals in Oregon and beyond that are ready to help us. The following findings (described fully in the report) informed the Workgroup's recommendations.

1. Oregon has a solid foundation in sustainable procurement
2. Oregon law allows for the creation of a sustainable procurement program
3. An efficient and effective sustainable procurement program is strategic
4. Sustainable procurement supports Oregon's commitment to good government
5. Sustainable procurement saves money
6. Sustainable procurement will help Oregon meet its existing priorities and mandates
7. *A strong and modern sustainable procurement policy can provide a sound basis for a successful program*
8. Supportive and engaged leadership will increase the long-term success of a sustainable procurement program
9. Institutionalizing sustainable procurement procedures is essential to success
10. Enabling and empowering agency staff is critical for success
11. Organizations with strong sustainability initiatives are better places to work
12. Training and tools make sustainable procurement easier
13. *Sustainable procurement can support Oregon businesses*
14. Existing efforts in Oregon and beyond provide ready opportunities
15. Green chemistry and climate are strategic opportunities for leadership
16. Addressing social impacts represents a gap in sustainable procurement
17. *Low-hanging sustainable procurement fruit are ready to be harvested in Oregon*
18. Buildings offer a nexus of opportunities for addressing multiple issues
19. Sustainable procurement programs in other states offer leadership examples for Oregon

Recommendations

Workgroup members urge the State of Oregon to adopt the following recommendations so that Oregon can become a national leader in sustainable procurement and ensure that its purchasing decisions align with the values that Oregonians across the state share. Some of these recommendations may require changes to statute, administrative rules, budgets, and agency practices. All are ripe for adoption and implementation.

1. Build a comprehensive program that makes Oregon a national leader in sustainable procurement.

Establishing a sustainable procurement program with strong fundamentals, including a robust policy framework with a comprehensive approach, will be most effective at protecting people and the environment while mitigating risk and saving taxpayer money.

2. Embrace transparency, accountability, and continuous improvement.

These principles are hallmarks of effective and responsible government and public procurement. A sustainable procurement program that fully integrates them will further demonstrate Oregon's leadership among states and reflect our legacy of good government that works for its residents and businesses.

3. Engage key stakeholders and build on existing efforts.

Businesses, governments, nonprofits, and communities are partners in accomplishing the goals and objectives of a sustainable procurement program. Integrating and expanding on successful efforts already happening in the private, nonprofit, and public sectors, including past and ongoing activities at Oregon Department of Administrative Services, Oregon Department of Environmental Quality, and others, will allow a state program to increase impact by leveraging limited resources.

4. Enable and support Oregon's procurement professionals.

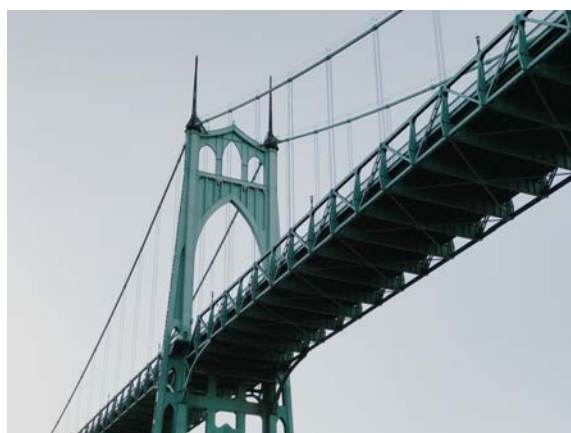
Fully utilizing the commitment and expertise of Oregon's public procurement professionals, project managers, and other staff involved in public procurement decisions will make the sustainable procurement program strong and resilient. Building strong champions and implementing clear and consistent sustainable procurement procedures will be critical for the State to exert national leadership.

5. Integrate sustainability throughout the procurement process.

Oregon's procurement process offers significant opportunities for addressing the many social, health, and environmental challenges currently facing Oregon, our country, and our world. Implementing current sustainable procurement best practices, including planning, specification development, bid evaluation, contract management, and tracking procedures, will further strengthen Oregon's procurement process. A comprehensive sustainable procurement program will help reduce risk and save money.

Introduction

Oregon is known as a state where government works. Our elected officials and the dedicated professionals that staff our agencies are responsible and innovative. This can-do attitude and commitment to the people of Oregon gives the State of Oregon a timely opportunity to utilize sustainable public procurement to achieve even greater public good. Oregon can take bold but practical steps to significantly increase the number and type of products and



services procured that have benefits for people, our environment, and our economy.

Public procurement plays an important role in delivering valuable products and services to state agencies, local governments, and schools. It is a powerful instrument for mitigating risks and saving money while helping us make progress on growing Oregon's economy, fostering innovation, promoting equity, protecting our health, and protecting the quality of our air, land, and water.

The choices about what and how we buy products and services to meet our needs reflects our values. Oregonians value fiscal responsibility and smart decision-making, which are hallmarks of sustainable procurement.

Sustainable procurement is defined as procurement that has the most positive impacts on people, our economy, and our environment and allows us to meet our current needs without compromising the ability of future generations to meet their own needs.¹

Sustainable procurement offers a framework for ensuring that we get the best overall value for taxpayer dollars and align with the values that Oregonians across the state share. Being a leader in sustainable procurement will further strengthen Oregon's reputation for transparent and accountable government.

In 2001, Oregon established an Oregon Sustainability Act.² Almost twenty years ago, public procurement was recognized as a foundational element in accomplishing the state's sustainability goals. Now is the time for renewed leadership and action on this issue.

"Oregon has a great foundation on which to build a leadership level sustainable procurement program. The consensus recommendations developed by the Workgroup help highlight a tremendous opportunity for collaboration and innovation in our state and beyond."

- Adam Helvey Oregon Department of Administrative Services

¹ Adapted from International Standard ISO 20400:2017(E), Sustainable Procurement – Guidance. <https://www.iso.org/standard/63026.html>

² State of Oregon. (2001). Oregon Sustainability Act. Oregon Revised Statutes, 2017 Edition, Chapter 184.423. https://www.oregonlegislature.gov/bills_laws/ors/ors184.html



About the Workgroup

The Oregon Safer Products Procurement Workgroup (the Workgroup) was convened and facilitated by Oregon Environmental Council, a statewide nonpartisan nonprofit organization founded in 1968. The Workgroup brought together leaders in sustainable procurement and other important stakeholders to develop recommendations for taking Oregon's sustainable procurement efforts to the next level. Workgroup members bring decades of experience from the public, private, and nonprofit sectors.

Members of the Workgroup include:

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Purpose

This report is intended to serve as a preliminary roadmap for policymakers and other decision-makers who are interested in strengthening the State of Oregon's sustainable procurement policy, program infrastructure, procedures, and practices. The Workgroup acknowledges the solid foundation of previous and ongoing work in Oregon at the state and local government levels, including policies and practices that were leading edge in the nation when they were established.

The recommendations presented in this document are meant to build on that foundational work, while guiding development of a comprehensive program that includes state-of-the-art policies, procedures, specifications, and tools. When fully implemented, these recommendations will help make Oregon a national leader in sustainable public procurement.

Our Process

For decades Oregon Environmental Council (OEC) has pursued solutions to Oregon's environmental challenges including the safety of chemicals and products, the quality of our air and water, and the health of our climate. We promote smart public policy and foster market-based solutions to protect our health and shared resources, while strengthening our economy.

As part of OEC's work to advance green chemistry and safer products in Oregon, in 2011 the organization began advocating for sustainable procurement in Oregon and beyond. Public procurement has an important role to

play in strengthening demand and driving innovation in safer, more sustainable products given the significant resources spent on products and services by state and local governments.



In partnership with the City of Portland and Multnomah County, Oregon Environmental Council helped found the Healthy Purchasing Coalition in 2012. The Coalition is a group of local governments, special districts, and higher education institutions working together to advance sustainable procurement through collaboration. The Coalition collectively identified the need for and benefits of strong state leadership in the field of sustainable procurement. Since many of the member organizations of the Healthy Purchasing Coalition are part of the Oregon Cooperative Purchasing Program they represent key stakeholders and partners in state procurement.

Through our work with the Healthy Purchasing Coalition, OEC and our partners identified the need for stronger leadership from the State of Oregon in sustainable procurement. In response, Oregon Environmental Council decided to convene the Oregon Safer Products

Procurement Workgroup to establish recommendations for how to build state leadership.

Workgroup members generously donated their time and knowledge over the course of seven months to develop findings and recommendations. Expert presentations by Workgroup members on sustainable procurement topics for which they have expertise, paired with careful deliberation and in-depth research, enabled the Workgroup to arrive at the set of findings and consensus recommendations included in this report.



Findings

The Workgroup finds that making Oregon a national leader in sustainable procurement is well within reach. Oregon does not have to start from scratch or go it alone in this effort. There are many examples, best practices, and experienced professionals in Oregon and beyond that are ready to help us. The findings included in this section serve as the informational foundation for the Workgroups recommendations.

"Oregon Environmental Council worked hard to ensure that the Workgroup findings and recommendations included business and supplier perspectives. I think the Workgroup recommendations are balanced and practical, and will help to strengthen sustainable procurement in Oregon."

- Keith Schneringer, Waxie Sanitary Supply

Finding 1: Oregon has a solid foundation in sustainable procurement

Oregon has a history of pursuing sustainable procurement through legislation, executive orders, agency policies and plans, and other stakeholder guidance. An outline of Oregon's sustainable procurement policies is included in the **Appendix**. These previous and current policies and guidance documents facilitate sustainable procurement by the State. The ideas and intent of the recommendations made by the Workgroup in this report are highly complementary – and build on – those

recommendations and requirement made earlier. Establishing a formal sustainable procurement program that builds on this foundation is a natural next step for the State.

Finding 2: Oregon law allows for the creation of a sustainable procurement program

Oregon's existing statute explicitly addresses sustainable procurement and created a stakeholder body, the Oregon Sustainability Board, responsible for building policies and programs to support it. Sustainable procurement is included in ORS 184.423 in the section "Findings and goals regarding

sustainability” which states that state purchases should be made to “...serve the broad, long term financial interests of Oregonians, including ensuring that environmental, economic and societal improvements are made so as to enhance environmental, economic and societal well-being”.

Finding 3: An efficient and effective sustainable procurement program is strategic

A sustainable procurement program that regularly plans and prioritizes will be strongly positioned to allow Oregon to focus on purchasing initiatives with the greatest environmental, social, and economic benefits. Creating a sustainable procurement program does not mean that every single good, service, or contract needs to be re-evaluated. Instead, it should create a framework for identifying and prioritizing opportunities to maximize benefits while minimizing costs. Effective sustainable procurement programs follow the 80/20 rule, focusing strategically on the 20% of products and services that cause 80% of the organization’s purchasing-related impacts.³

Finding 4: Sustainable procurement supports Oregon’s commitment to good government

In order to purchase in the best interests of Oregonians, the State’s public procurement policies and practices must

exemplify transparency and accountability. The Workgroup finds that public transparency can be increased by establishing sustainable procurement goals, measuring progress against those goals, and publicly reporting that progress on a regular basis. Doing so would also increase accountability in public procurement by demonstrating how our state agencies are determining best overall value, including accounting for costs associated with environmental, health, and social impacts, as well as performance and financial costs throughout the lifecycle.



Finding 5: Sustainable procurement saves money

Sustainable procurement helps save taxpayers money by facilitating the purchase of more resource-efficient products, services, buildings, and vehicles, which can significantly reduce utility bills, fuel costs, and the costs of materials and waste disposal. Cost savings can be even more significant

³ Hummel, S. (2016). To 10 Ways to Attract Procurement Professionals to Sustainable Purchasing. Sustainable Purchasing Leadership Council. <https://www.sustainablepurchasing.org/blog/2016/09/19/t>

[op-10-ways-to-attract-procurement-professionals-to-sustainable-purchasing/](https://www.sustainablepurchasing.org/blog/2016/09/19/t)

when products are evaluated using a “total cost of ownership” approach (where the cost also includes operating and performance factors).⁴ Choosing safer products helps protect worker health and safety while also protecting against the risk that materials may have to be removed or remediated in the future. Frequent accidents can also increase an organization’s worker compensation premiums and may result in significant legal expenses. Money saved by a sustainable procurement program would likely offset any new costs associated with the program many times over.

Finding 6: Sustainable procurement will help Oregon meet existing priorities and goals

A sustainable procurement program would help the State accomplish many of the objectives outlined in Oregon Department of Administrative Services’ procurement manual including modernizing Oregon’s procurement practices, reinforcing the foundation for ethical and fair dealing in public contracting and promoting efficient use of the state’s resources.⁵ In addition, it would also advance many of Oregon’s broader goals including prudent financial management, protecting our climate, conserving natural resources for future generations, protecting our

health, encouraging innovation and economic development, and promoting equity, diversity, and inclusion.⁶

Finding 7: A strong and modern sustainable procurement policy can provide a sound basis for a successful program

The Workgroup finds that participation in sustainable procurement by decision-makers increases when there is a legal mandate and support from top management and colleagues. A mandate for state agencies and special districts, coupled with effective outreach, education, and support for interested local governments, provides the greatest likelihood of long-term success. While, over the past two decades, Oregon has enacted several laws, issued executive orders, and issued administrative rules and guidance that promote sustainable procurement by state agencies, these efforts would benefit greatly from a comprehensive framework policy. Such a policy would establish fundamental processes for setting goals, creating action plans, identifying priorities, verifying sustainability claims, and measuring and reporting on progress to decision-makers and the public, for example.⁷

⁴ Culver, A. et al. (2016). Sustainable Procurement Playbook for Cities. Responsible Purchasing Network. http://www.responsiblepurchasing.org/purchasing_guides/playbook_for_cities/rpn_usdn_playbook_for_cities.pdf

⁵ State of Oregon. (2018). Oregon Procurement Manual. <http://www.oregon.gov/das/OPM/Pages/intro.aspx>

⁶ State of Oregon. (2012). Executive Order No. 12-03: Promoting Diversity and Inclusion Opportunities for Oregon

Minority-Owned, Women-Owned and Emerging Small Businesses. http://www.oregon.gov/gov/Documents/executive_orders/eo_12-03.pdf

⁷ Culver, A. et al. (2016). Sustainable Procurement Playbook for Cities. Responsible Purchasing Network. http://www.responsiblepurchasing.org/purchasing_guides/playbook_for_cities/rpn_usdn_playbook_for_cities.pdf

Finding 8: Supportive and engaged leadership will increase the long-term success of a sustainable procurement program

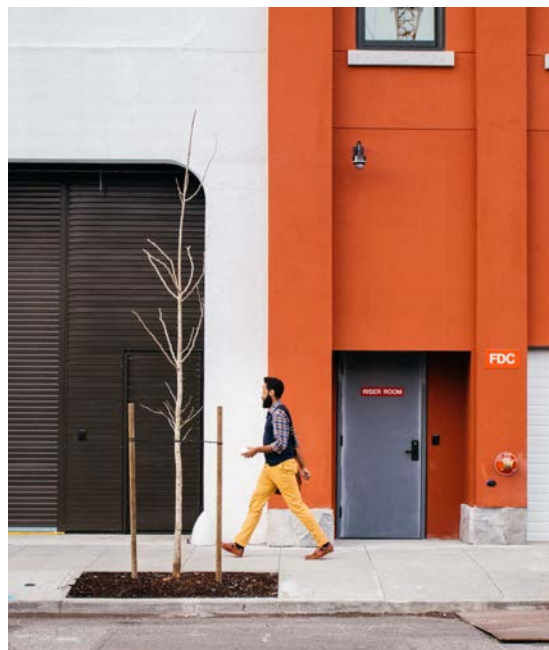
The Workgroup determined that leadership buy-in and oversight of sustainable procurement plays a critical role in the success of a program. When managers endorse and provide oversight of sustainable procurement it increases the value and benefits a program can provide. Importantly, the governor, state legislature, and department heads can also demonstrate support by providing sufficient resources, including dedicated staff, to implement the program. Ensuring that effective planning and reporting occurs will help foster accountability for a program and allow the State to communicate about the value of sustainable procurement in a transparent way.

Finding 9: Institutionalizing sustainable procurement procedures is essential to success

Based on a review of state policies and practices from across the country, an administrative body (i.e. Task Force, Workgroup, or Committee) is often established to help institutionalize sustainable procurement. These bodies are often convened by the governor's office or a legislative committee, co-chaired by procurement and environmental departments, and include leadership representatives from a variety of state agencies. Their responsibilities typically include setting statewide priorities, creating action plans, formalizing procedures, and

overseeing annual progress reports. Under current statute, the Oregon Sustainability Board has the authority to convene and provide oversight of such an administrative body in Oregon. Because the Board's scope is broader than sustainable procurement at the State of Oregon, the Workgroup finds that it would be beneficial to have a separate administrative body, with dedicated staff and resources, responsible for managing and evaluating the sustainable procurement program. This body would complement the expertise and oversight provided by the Board and could provide regular updates to the Board on sustainable procurement program progress and success.

Finding 10: Enabling and empowering agency staff is critical for success



Throughout the Workgroup's discussions and research on ways to

strengthen sustainable procurement in Oregon, we frequently returned to two key findings: People make a program successful, and sustainable procurement tools and procedures are needed.

Procurement professionals and other staff involved in purchasing often have large workloads and many different kinds of customers they need to satisfy. Simplicity and efficiency are key components for readily adopting and implementing sustainable procurement practices within the procurement community.

Finding 11: Organizations with strong sustainability initiatives are better places to work

Research is starting to show that the next generation of employees are focusing more on mission and purpose when deciding on careers and places to work. According to *Harvard Business Review*, organizations “...that invest in sustainability initiatives tend to create sought-after culture and engagement due to company strategy focusing more on purpose and providing value to society.”⁸ In addition, organizations that embed sustainability in their core operational strategies treat employees as critical stakeholders. Employees tend to feel proud to work at companies and organizations when they feel part of a broader effort. One study found that morale was 55% better in companies with strong sustainability

programs, compared to those with poor ones, and employee loyalty was 38% better.⁹

Finding 12: Training and tools make sustainable procurement easier

Building awareness about sustainability issues and opportunities associated with priority products and services throughout all levels of public procurement professionals is an important starting point for building a successful program. Currently, Oregon Department of Administrative Services is in the process of developing new sustainable procurement training modules to help strengthen staff awareness and build expertise. Other organizations have developed tools that Oregon could utilize to help make sustainable procurement easier.

Finding 13: Sustainable procurement can support Oregon businesses

Vendors are directly influenced by policies, programs, and requirements established through public procurement, often identifying emerging sustainability trends from state and local governments. Public sector contracts can be significant sources of revenue for some industries (e.g. construction) offering the opportunity for driving sustainability in the design, manufacture, and use of goods and services through procurement.¹⁰ Oregon

⁸ Whelan, T. and Fink, C. (2016). The Comprehensive Business Case for Sustainability. *Harvard Business Review*. <https://hbr.org/2016/10/the-comprehensive-business-case-for-sustainability>

⁹ Society for Human Resource Management. (2011). *Advancing Sustainability: HR's Role*.

https://www.shrm.org/resourcesandtools/tools-and-samples/toolkits/documents/11-0066_advstainhr_fnl_full.pdf

¹⁰ National Association of State Procurement Officials. (ND). *NASPO Green Purchasing Guide*. <http://www.naspo.org/green/index.html>

can also continue to foster innovation in the private sector, including in the design and manufacture of safer, less toxic chemicals and products, by integrating sustainability into procurement policies and practices.



Finding 14: Existing efforts in Oregon and beyond provide ready opportunities

Several local governments in Oregon – notably the City of Portland and Multnomah County – are nationally recognized leaders in sustainable procurement, including the procurement and use of safer, less toxic products. Robust collaboration is happening among cities, counties, and universities in Oregon through the *Healthy Purchasing Coalition*. The green building design and construction industries in Oregon are also nationally recognized for their collaborative work on building material and product ingredient transparency, safety, and sustainability. These efforts, and others, offer the state ready opportunities for

leveraging limited resources and engaging with key stakeholders to maximize impact.

Finding 15: Green chemistry and climate are strategic opportunities for leadership

While the field of sustainable procurement is maturing there are still opportunities for leadership. The Workgroup finds that there is a need to advance specific elements of sustainable procurement, including existing work around the purchase of safer products made using green chemistry, and integrating climate change (i.e. greenhouse gas emissions) into procurement decisions. These are two areas where Oregon can build on existing efforts. Importantly, the Workgroup also notes that it is critical to consider a lifecycle perspective that assesses products based on multiple attributes to avoid regrettable substitutions or trade-offs that optimize one type of benefit or impact reduction to the detriment of others.¹¹

Finding 16: Social impacts need to be addressed in sustainable procurement

The Workgroup finds that there are opportunities to create more positive social impacts for workers and communities in global supply chains through sustainable procurement. The Workgroup's review of state sustainable procurement policies across the nation found very few examples that integrate

¹¹ United States Environmental Protection Agency. (2015). Final Guidance on Environmentally Friendly Purchasing.

<https://www.epa.gov/sites/production/files/2015-09/documents/finalepguidance.pdf>

social impact or equity criteria in a robust fashion; more examples were found at the local level in the U.S. and Canada. Further evidence of the need for leadership in the area of social impact and responsibility can be found in the existence of few third-party sustainability certifications that include robust social impact or worker protection requirements.

Finding 17: Low-hanging sustainable procurement fruit are ready to be harvested in Oregon

Since many Workgroup members are procurement professionals working on the leading edge of sustainable procurement, the group identified a number of near-term opportunities for Oregon throughout our process. These opportunities include, but are not limited to, the following categories of products and services: clean diesel contracting, zero emission and electric vehicles, safer building products, alternative transportation fuels, less-toxic furniture, janitorial products, flooring, food service wares, textiles, and electronics. For example, Executive Order 17-20, signed in 2017 requires the integration of energy and water efficiency standards for equipment purchased by the state. The Sustainable Procurement Playbook for Cities offers numerous examples of how to take action on these low-hanging fruit, including through pilot projects.¹²

¹² Culver, A. et al. (2016). Sustainable Procurement Playbook for Cities. Responsible Purchasing Network.

Finding 18: Buildings offer a nexus of opportunities for addressing multiple issues

Green building construction, renovation, operations, and maintenance offer high-impact opportunities for advancing sustainable procurement in the public sector. Specifically, Oregon could help create synergies with private sector actions by encouraging adoption of leadership green building standards like



LEED v4, Well Building, and Living Building Challenge. Furthering green building in Oregon through public procurement will also complement state objectives related to economic development and job creation in the building industry. A sustainable or green building standard would also help advance public procurement in Oregon.

Finding 19: Sustainable procurement programs in other states offer leadership examples for Oregon

The sustainable procurement programs of other states, including the

http://www.responsiblepurchasing.org/purchasing_guides/playbook_for_cities/rpn_usdn_playbook_for_cities.pdf

Commonwealth of Massachusetts and New York State, provide examples for Oregon to follow when designing and implementing a leadership level program. Massachusetts for example, has a full-time Sustainable Procurement Program Manager housed in the lead procurement agency. These and other states have established procedures and practices in their sustainable procurement programs including, for example, identifying opportunities, action planning, creating specifications and other sustainable procurement tools, measuring progress, and reporting on their program goals and results.^{13 , 14}

¹³ New York State. (2008). Executive Order No. 4: Establishing a State Green Procurement and Agency Sustainability Program. <http://www.dec.ny.gov/energy/71389.html>

¹⁴ Commonwealth of Massachusetts. (2009). Executive Order No. 515: Establishing an Environmental Purchasing Policy. <http://www.mass.gov/courts/docs/lawlib/eo500-599/eo515.pdf>



Recommendations

The following recommendations are designed to help cement Oregon's leadership in sustainable procurement. They are designed to build on our strengths, including the State's existing sustainability policies, programmatic design elements, and entities like the Interdepartmental Sustainability Directors Network (ISDN), while strategically addressing strategic gaps in our current policies and practices.

Through further development and implementation of a comprehensive sustainable procurement program, the State of Oregon can join other state and local government leaders in shifting the marketplace toward safer, more environmentally sustainable and socially responsible products and services.

Workgroup members urge the State of Oregon to adopt these recommendations as we firmly believe the time is right for Oregon to become a national leader in sustainable procurement. Some of these recommendations may require changes to statute, administrative rules, budgets, and agency practices.

"The recommendations included in this report reflect many of the sustainable procurement best practices being used by leading local and state governments across the country. I'm confident that implementing these recommendations will help strengthen sustainable procurement at the State of Oregon."

- Stacey Foreman, City of Portland

1. Build a comprehensive program that makes Oregon a national leader in sustainable procurement.

Establishing a sustainable procurement program with strong fundamentals, including a robust policy framework with a comprehensive approach, will be most effective at protecting people and the environment while mitigating risk and saving taxpayer money. Specifically, the Workgroup recommends the following:

- Ensure that updated sustainable procurement policies and practices are adopted and implemented at all state agencies and special districts and encouraged at local jurisdictions;
- Use widely recognized guidance and best practices to help establish Oregon’s sustainable procurement program;¹⁵
- Build a sustainable procurement program that is broad in scope by promoting human rights and labor practices, protecting human health and the environment, and fostering community economic development;
- Dedicate sufficient staff time and other resources to ensure that the sustainable procurement program is effectively implemented, managed, and evaluated;
- Establish a process for setting priorities that identifies high-impact opportunities and sets clear and measurable goals; and
- Adopt a lifecycle perspective when setting priorities and integrating sustainability requirements into the procurement process.

2. Embrace transparency, accountability, and continuous improvement.

These principles are hallmarks of effective and responsible government and public procurement. A sustainable procurement program that fully integrates them will further demonstrate Oregon’s leadership among states and reflect our legacy of good government that works for its residents and businesses. Specifically, the Workgroup recommends the following:



- Engage high-level state agency managers and purchasing agents to determine strategic objectives of the program;
- Clearly define roles and responsibilities of various agency staff and departments for implementing the sustainable procurement program among state agencies;
- Empower a body (e.g. an interagency committee, network, or another group) with responsibility for managing, implementing, and evaluating program;
- Convene a regular (i.e. at least every 3 years) sustainable procurement action planning process to update goals, priorities, budget, and other program elements;
- Identify and expand the use of metrics and performance indicators to measure progress toward meeting sustainable procurement goals by individual staff, departments, and the State as a whole;

¹⁵ Including guidance documents from the International Organization for Standardization, Responsible Purchasing Network, Sustainable Purchasing Leadership Council, and National Association of State Procurement Officials, among other government and nonprofit organizations

- Publicly report on the activities and results of the sustainable procurement program on an annual basis; and
- Refine data collection systems to make measuring benefits and reporting on progress toward meeting goals easier and less time consuming.

3. Engage key stakeholders and build on existing efforts.

Businesses, governments, nonprofits, and communities are partners in accomplishing the goals and objectives of a sustainable procurement program. Integrating and expanding on successful efforts already happening in the private, nonprofit, and public sectors, including past and ongoing activities at Oregon Department of Administrative Services, Oregon Department of Environmental Quality, and others, will allow a state program to increase impact by leveraging limited resources. Specifically, the Workgroup recommends the following:

- Establish a more formal collaborative relationship with local governments in Oregon to plan and implement the state sustainable procurement program;
- Build on Oregon's existing efforts to purchase safer, more sustainable products designed using green chemistry (e.g. EO 12-05) including adopting an approach that helps avoid regrettable substitutions of one hazardous chemical for another;
- Build on Oregon's existing efforts to integrate climate protection into procurement decisions (e.g. EO 17-20 and EO 17-21) including adopting a simple method for identifying, specifying, and purchasing products and services with lower carbon emissions throughout their lifecycle;
- Develop and implement a sustainable procurement engagement plan that engages state agencies, local governments (and other users of the state Cooperative Purchasing Program), and vendors of products and services; and
- Conduct periodic assessments of contracts to identify and share lessons learned with stakeholders.

4. Enable and support Oregon's procurement professionals.



Fully utilizing the commitment and expertise of Oregon's public procurement professionals, project managers, and other staff involved in public procurement decisions will make the sustainable procurement program strong and resilient. Building strong champions and implementing clear and consistent sustainable procurement procedures will be critical for the State to exert national leadership. Specifically, the Workgroup recommends the following:

- Embed sustainable procurement objectives into performance evaluations for individuals and departments;
- Create incentives for employees to integrate sustainability criteria into their purchasing procedures and decisions;
- Develop checklists, sample specification language, default templates, and other tools and resources and make them easily accessible online;
- Establish at least one full time sustainable procurement program manager position at Oregon Department of Administrative Services;
- Designate staff to be sustainable procurement program leads at large agencies to facilitate sustainable procurement and produce annual agency reports;
- Strengthen the current training program by developing more robust sustainable procurement materials; and
- Require introductory sustainable procurement training for relevant staff and introducing sustainable procurement concepts at managerial level orientation and professional development.

5. Integrate sustainability throughout the procurement process.

Oregon's procurement process offers significant opportunities for addressing the many social, health, and environmental challenges currently facing Oregon, our country, and our world. Implementing current sustainable procurement best practices, including planning, specification development, bid evaluation, contract management, and tracking procedures, will further strengthen Oregon's procurement process. A comprehensive sustainable procurement program will help reduce risk and save money. Specifically, the Workgroup recommends the following:

- Use "best value" as a preferred cost evaluation method to more accurately account for lifecycle or total ownership costs;
- Use credible third-party certifications to identify and verify more sustainable products, services, and suppliers;
- Reduce product or organization greenwashing through collaboration with vendors, state agencies, and other stakeholders;
- Spur innovation that addresses sustainability issues through pricing and process flexibility;
- Make more sustainable products and services the default choice for purchasers by negotiating deep discounts on them for state contracts, by adding language into



relevant process templates (i.e. bids, RFPs, scoring, etc.), using choice-editing software, approved product lists, and other tools;

- Expand preferences for organizations, products, and services that provide positive social impacts, such as those offered by benefit corporations, fair trade certified products, and those made with strong worker and community protections; and
- Write sustainable product and design procurement requirements into request for proposals for new building projects or existing building renovations.

Conclusion



The Workgroup firmly believes that Oregon can and should become a national leader in sustainable procurement. Building on our legacy for smart, responsible government, the time is ripe for the State of Oregon to design, fund, and operate a comprehensive sustainable procurement program. Doing so will provide numerous benefits, including helping the state comply with its climate and other sustainability policies, protecting employee health and the environment, and saving taxpayers money.

While the State of Oregon has adopted several sustainability policies that include a variety of sustainable procurement goals, to become a leader in this area it needs a more coordinated

approach that includes a sustainable procurement policy, designated staff, more clearly defined roles and responsibilities, action planning, consistent procedures designed to make sustainable procurement easy and the default activity, sustainability specifications and other tools, and a system to track and report the program's activities and benefits.

The decisions we make today about what we buy and who we buy it from will have an impact on the health and well-being of our children and their children. We have a responsibility to take reasonable actions that not only meet our needs now but help ensure that future generations of Oregonians can meet their needs as well. We can help protect our future while supporting responsible people and businesses in Oregon and beyond.

Appendix: State of Oregon Sustainable Procurement Policy Summary

Oregon's foundational policies and guidance documents related to sustainable procurement include, but are not limited to, the following:

- Existing Statute
 - Oregon Revised Statutes (ORS) 184.421-435: Defining sustainability, sustainability findings and goals, Oregon Sustainability Board
 - Oregon Revised Statutes 468a.205: Greenhouse gas emissions reduction goals
- Executive Orders
 - EO 00-07 (2000, rescinded): Development of a State Strategy Promoting Sustainability in Internal State Government Operations¹⁶
 - EO 03-03 (2003, rescinded): A Sustainable Oregon for the 21st Century¹⁷
 - EO 06-02 (2006): Sustainability for the 21st Century¹⁸
 - Executive Order 12-03 (2012): Promoting Diversity and Inclusion Opportunities for Oregon Minority-Owned, Women-Owned and Emerging Small Businesses¹⁹
 - EO 12-05 (2012): Fostering Environmentally-Friendly Purchasing and Product Design²⁰
 - EO 17-20 (2017): Accelerating Efficiency in Oregon's Built Environment to Reduce Greenhouse Gas Emissions and Address Climate Change²¹
 - EO 17-21 (2017): Accelerating Zero Emission Vehicle Adoption in Oregon to Reduce Greenhouse Gas Emissions and Address Climate Change²²
- Agency Policy
 - Sustainable Procurement and Internal Operations 107-011-140 (2009)²³
 - Resource Conservation 107-011-010 (2009)²⁴

¹⁶ State of Oregon. (2000). Executive Order 00-07.

http://archivedwebsites.sos.state.or.us/Governor_Kitzhaber_2003/governor/legal/execords/eo00-07.pdf

¹⁷ State of Oregon. (2003). Executive Order 03-03. http://www.oregon.gov/gov/Documents/executive_orders/ExecutiveOrder03-03.pdf

¹⁸ State of Oregon. (2006). Executive Order 06-02. http://www.oregon.gov/gov/Documents/executive_orders/eo0602.pdf

¹⁹ State of Oregon. (2012). Executive Order No. 12-03: Promoting Diversity and Inclusion Opportunities for Oregon Minority-Owned, Women-Owned and Emerging Small Businesses.

²⁰ State of Oregon. (2012). Executive Order 12-05. http://www.oregon.gov/gov/Documents/executive_orders/eo_12-05.pdf

²¹ State of Oregon. (2017). Executive Order 17-20. Accelerating Efficiency in Oregon's Built Environment to Reduce Greenhouse Gas Emissions and Address Climate Change. http://www.oregon.gov/gov/Documents/executive_orders/eo_17-20.pdf

²² State of Oregon. (2017). Executive Order 17-21. http://www.oregon.gov/gov/Documents/executive_orders/eo_17-21.pdf

²³ State of Oregon. (2009). Department of Administrative Services Statewide Policy: Sustainable Procurement and Internal Operations. <http://www.oregon.gov/das/Policies/107-011-140.pdf>

²⁴ State of Oregon. (2009). Department of Administrative Services Statewide Policy: Resource Conservation. <http://www.oregon.gov/das/Policies/107-011-010.pdf>

- Sustainable Acquisition and Disposal of Electronic Equipment (e-waste/recovery) 107-011-050_PR (2017)²⁵
- Green Chemistry Procurement Guidelines 107-009-008-PO²⁶
- Stakeholder Recommendations
 - Sustainable Supplier Council Report (2001)²⁷
- Strategy and Guidance Documents
 - State Agency Guidance for Implementing Governor Kulongoski's Executive Order 03-03, A Sustainable Oregon for the 21st Century (2003)²⁸
 - Oregon Department of Environmental Quality Toxics Reduction Strategy (2012)²⁹
 - Oregon Department of Environmental Quality Materials Management in Oregon: 2050 Vision and Framework for Action (2012)³⁰

Notably, existing statute in Oregon explicitly addresses sustainable procurement and provides a stakeholder body responsible for building policies and programs to support it. Sustainable procurement is included in the section “Findings and goals regarding sustainability” of ORS 184.423 (emphasis added):

The Legislative Assembly finds and declares the following goals for the State of Oregon regarding sustainability:

(1) In conducting internal operations, state agencies shall, in cooperation with the Oregon Department of Administrative Services, seek to achieve the following objectives:

(a) State purchases should be made so as to serve the broad, long term financial interests of Oregonians, including ensuring that environmental, economic and societal improvements are made so as to enhance environmental, economic and societal well-being.

²⁵ State of Oregon. (2017). Department of Administrative Services Statewide Procedure: Sustainable Acquisition and Disposal of Electronic Equipment. http://www.oregon.gov/das/Policies/107-011-050_PR.pdf

²⁶ State of Oregon. (2014). Department of Administrative Services Statewide Policy: Green Chemistry Procurement Guidelines. <http://www.oregon.gov/das/policies/107-009-0080.pdf>

²⁷ State of Oregon. (2001). Department of Administrative Services Procurement Services and Policy: Sustainable Supplier Council Report. <https://digital.osl.state.or.us/islandora/object/osl%3A1871/datastream/OBJ/view>

²⁸ State of Oregon. (2003). State Agency Guidance for Implementing Governor Kulongoski's Executive Order 03-03. <http://www.ode.state.or.us/opportunities/grants/saelp/guidance.pdf>

²⁹ State of Oregon. (2017). Department of Environmental Quality Fact Sheet: DEQ's Toxics Reduction Strategy Update. <http://www.oregon.gov/deq/FilterDocs/toxicsredstrategy.pdf>

³⁰ State of Oregon. (2012). Materials Management in Oregon: 2050 Vision and Framework for Action. <http://www.oregon.gov/deq/FilterDocs/MManagementOR.pdf>

This chapter of ORS goes on to establish the Oregon Sustainability Board and makes the volunteer stakeholder group responsible for assisting in meeting the aforementioned procurement goals, engaging other stakeholders, and other sustainability issues described in the “Powers and duties of board” section of ORS 184.429.