GSA Acquisition Policy Federal Advisory Committee (GAP FAC) Policy & Practice Subcommittee Meeting

March 9, 2023

The General Services Administration (GSA) Acquisition Policy Federal Advisory Policy & Practice Subcommittee convened for the seventh public meeting at 3:00 PM on March 9, 2023, virtually via Zoom, with Steven Schooner, Chairperson, and Luke Bassis, Co-Chairperson, presiding.

In accordance with FACA, as amended, 5 U.S.C. App 2, the meeting was open to the public from 3:00 PM to 5:00 PM EST.

Subcommittee Members Present:

Steven Schooner, Chairperson George Washington University

Luke Bassis, Co-Chairperson Port Authority of New York and New Jersey

Richard Beutel George Mason University

Antonio Doss US Small Business Administration

Mark Hayden State of New Mexico

Dr. Amlan Mukherjee Michigan Technological University

Jennie Romer Environmental Protection Agency

Anish Tilak Rocky Mountain Institute

Dr. David Wagger Institute of Scrap Recycling Industries

Absent:

Leslie Cordes, Nicole Darnall, Mamie Mallory, Stacy Smedley, Nigel Stephens, and Dr. Kimberly Wise White

Guest Speakers & Presenters:

Nicole Darnall Director/Co-Founder, Sustainable Purchasing

Research Initiative, Arizona State University

GSA Staff Present:

Boris Arratia Designated Federal Officer

Stephanie Hardison Deputy Designated Federal Officer

David Cochennic GAP FAC Support

Skylar Holloway GAP FAC Support Team

Edris Lambert Closed Captioner
Susan Chinnici Moyer ASL Interpreters

Janina Witteborg

ASL Interpreters

CALL TO ORDER

Boris Arratia, Designated Federal Officer, opened the public meeting by welcoming the group before reminding the public that there would be time for comments and statements at the end of the meeting. He then performed a roll call to confirm attendance and a quorum. After the quorum was met, he turned the meeting over to Co-Chair Luke Bassis.

INTRODUCTORY REMARKS

Co-Chair Luke Bassis opened the meeting by thanking the subcommittee members for joining and reviewed the agenda for the day's meeting. He introduced guest speaker Nicole Darnall.

GUEST SPEAKER(S) & DISCUSSION

Nicole Darnall: I will be talking about the findings in the 2022 Global Review for Sustainable Public Procurement (SPP). This report started in 2013 and has undergone a changing landscape of sustainable public procurement. There are sections on how the private sector engages in sustainable procurement. They've looked at the broader role of international organizations, academia, and networks in helping to facilitate SPP and have also expanded on understanding the needs around SPP.

There was a national government questionnaire conducted across 45 countries. There was a stakeholder survey with 322 stakeholders globally representing 92 countries. There was a literature review of more than 200 articles and professional reports. There was also engagement in semi-structured interviews across 26 different experts.

There is no single formula for sustainable procurement success and because of this, they were able to identify nine recommendations to equip decision-makers and public procurement experts and to encourage additional discussion.

The first recommendation is to make sustainable procurement criteria and guidelines mandatory. The status across the governments surveyed, 62% have developed guidelines around at least one product or service category, which is low. Less than 1/3 have mandatory applications for these specifications. This was seen across all levels of government looked at. Because of this, we need to increase SPP adoption and back it with specific policies. It sends a strong signal to the procurers on the front line about what is needed and expected, which is critical for markets to see in order to shift their development in important ways, helps mitigate risk and helps change the culture and globalized actions.

The second recommendation is to shift from low-cost procurement to value-for-money procurement. Value for money procurement includes social and environmental costs and criteria. It provides a more accurate assessment of the true costs of goods and services and spurs market competitiveness from more sustainable companies.

Recommendation three is to emphasize training, capacity building, and incentives. Procurement managers don't always see the full value of SPP. This is why training that focuses on value-for-money procurement is important. We need to value sustainable expertise when hiring to have organizations quickly enhance capabilities around sustainability. We need to think about vendor training. It's important for small and diverse businesses so they can compete for government contracts. It's important to think about aligning the incentives within the organizations. There's a perceived risk associated with SPP decisions.

Recommendation four is to enhance reputation for sustainability. The idea is that sustainable governments are gaining more recognition. The notion is that sustainability can improve the public image and reputation of an organization and helps to influence business decisions. It demonstrates an overall commitment to sustainability, increasing stakeholder trust and goodwill. The critical feature here is to be transparent. When policies are created, they need to be communicated widely.

Recommendation five is to advance all aspects of sustainability across the procurement life cycle. Social purchasing is a strong platform for environmental purchasing and vice versa. In developing countries, SPP focuses on increasing opportunities for small and local businesses, especially those from disadvantaged groups. They use creative tendering processes to allow vendors to collaborate to apply for large procurement contracts and promote purchases from businesses prioritizing human labor over automation. They are connecting their sustainability goals to the economic development goals. We suggest leveraging efforts from the initial focal point to build on to consider the full suite of sustainability impacts, which is important.

Recommendation six is to leverage sustainable purchasing to build resilience in crisis. Many governments are using SPP to enhance purchasing resilience and economic development. It promotes supply chain resilience and leverages the power of small and local businesses. 63% of buyers and 71% of suppliers reported that sustainable purchasing helped them endure the COVID-19 crisis. Supply chain resilience increases as SPP implantation matures due to richer indicators, engaging suppliers more deeply, and nurturing suppliers to help them become sustainability performers.

Recommendation seven is to integrate sustainable purchasing into e-procurement to measure outcomes. The benefits of this are that you are reducing the costs of finding sustainable goods and services if sustainable procurement is integrated. It raises the

profile of sustainable products or services so that they become the default decision for purchasing. It helps to integrate sustainability into tenders. There's a possibility of using artificial intelligence (AI) to develop contract language and share best practices. It helps to manage what you measure so you can easily track sustainable spending, monitor SPP progress, a mechanism for incentivizing sustainable purchasing behavior, and reduces corruption through enhanced transparency.

Recommendation eight is to participate in knowledge-sharing networks. The benefit of this is that you are bringing together purchasing professionals from different regions and sections. You can learn from each other's expertise around sustainable purchasing. You can avoid the SPP hurdles encountered by others and awards and recognitions can help accelerate SPP implementation.

Recommendation nine is to enhance supplier engagement. Suppliers are an important alias in determining success in sustainable procurement. They help to inform us about sustainable options and create avenues to increase SPP. The idea is to look to industry as a collaborator toward success. It's important to be clear about sustainability goals, to give suppliers sufficient time to respond, and to seek information from these critical stakeholders.

Sustainable procurement across the countries we study becomes a variety of strategies beyond greener products. They incorporate the full range of programmatic activities that affect every step of the typical procurement lifecycle. Changing the typical procurement strategies requires a focus on change in management. There is an importance to getting buy-in at the highest levels first. The United Nations Environment Program (UNEP) will continue to support this to countries and different levels of government.

SPEAKER QUESTION & ANSWERS

Q: Antonio Doss - Were there themes commonly points of focus for the criteria areas?

A: Nicole Darnall - I cannot remember the numbers offhand. For most countries that were focused on environmental criteria, what became most salient related to energy and climate change issues. Products with high carbon footprints, like construction materials or vehicle fleets, tended to be the focal areas, but I can direct you to the specific table within the report to get you the information.

Q: Richard Beutel – The greatest maneuver to embed sustainable procurement would be disengaging from China and onshore to the US & European Union where responsible oversight and compliance rules are matured in the fashion you identified. Given the incredible supply chain reliance on this specific industry sector on overseas supply chains and outsourcing, is that even possible?

A: Nicole Darnall – No. Globalization is here. We will be able to put parameters around that, and manufacturing will come back to the United States (U.S.) based on the different executive orders that are moving out, and that also changes based on who's in office. The broader solution will be defined by technologies that better handle assessing supply chain and supply chain risk.

Q: Antonio Doss – You spoke of other countries that are further ahead that maybe had a unified vision around sustainability. Are there any that stood out?

A: Nicole Darnall - Obvious choices are Western Europe. We have examples in Norway, Sweden, and Japan, often held out as examples and the same as South Korea. The survey was broad-brushed. What we need is to conduct in-depth case studies to determine what the causal mechanisms are internally. We need to move beyond the existing surveys we've done. We see what's happening globally, but we need more examples of best practices to show others how they can create their own path forward.

Q: Steven Schooner – If you could choose one lever, which would it be? If you were going to pick the most effective place to start, where would it be?

A: Nicole Darnall – What has echoed for me is making this as easy as possible. The individual in their roles wants to do a good job. If the expectation is to embed sustainability into acquisition, we should help them do a good job of that. We should focus on ways to automate this process to make it easy.

RECOMMENDATION DEVELOPMENT

Chairman Steven Schooner presented the Single Use Plastics Task Force, a group created within the Policy & Practice subcommittee. The goal of this task force is to create a recommendation that would be brought to the subcommittee and passed on to the full committee as a formal recommendation. The formal recommendation would consist of a two to three-page letter. Steven Schooner presented the list of things that could be included in the letter, previously discussed in prior conversations.

He moved forward to share the new files and information, which will guide the task force for the group and could be found in the shared folder to which everyone can contribute information in order to create a preliminary working draft.

The group next agreed on things related to electronic tools and how to make things easy in that realm. A task force will be created around this. The group can expect to hear from experts at GSA on these topics. Steven encouraged the group to familiarize themselves with the SFTool and GSA federal supply schedule environmental aisle.

PUBLIC COMMENTS

The subcommittee opened the conversation to the public, but there were no comments.

CLOSING REMARKS

Steven Schooner turned the meeting over to Boris Arratia.

ADJOURNMENT

Boris Arratia adjourned the meeting at 5:00 PM EST.

I hereby certify that, to the best of my knowledge, the foregoing minutes are accurate and complete.

DocuSigned by: 2/15/2024 5FD1D7187AAA461...

Luke Bassis

Co-Chairperson

GAP FAC Policy & Practice Subcommittee

Former Chair, Steven Schooner was succeeded by Luke Bassis on September 28, 2023.