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GOING GREEN ON PURCHASING

Eight practices to reduce environmental impacts

In the United States alone, local governments purchase \$1.72 trillion of goods annually.¹ These items include vehicle fleets, construction materials, chemicals, electronics, and office materials. All are contributors to global climate change and other environmental concerns.

To address these environmental problems and save money, some local governments have implemented policies to encourage “green” or environmentally conscious purchasing. These policies include formal legal frameworks, ordinances, executive orders, resolutions, and administrative directives that reduce negative effects on the environment.

They also include less formal approaches, such as adding green purchasing language to existing sustainability plans or energy conservation policies.

When successful, these policies can significantly mitigate local governments’ environmental impacts, while stimulating the global market’s production of green products and services. By purchasing green products, for example, local governments can reduce energy-related carbon emissions and solid waste as well as a host of other negative impacts.

They can also increase internal efficiencies (e.g., reduced energy use) that lead to cost savings while establishing themselves as environmental leaders. Because local government is a major purchaser of goods, implementing successful green purchasing policies accelerates progress towards a green economy.

Many local governments, however, struggle to implement their green purchasing policy or do not have one at all.

To address these concerns, we partnered with ICMA to conduct a survey to assess the successful features of local governments’ sustainable purchasing activities. The survey was sent to 1,825

directors of finance, public works, and environment in 791 U.S. cities. More than 600 city directors from nearly 460 cities answered the survey.

Practices That Lead to Success

Our survey findings identified these eight practices used by local governments that have implemented a successful green purchasing policy.²

1 Build on complementary policies and practices. Local governments that implement complementary policies and activities (such as recycling and water and energy conservation policies) are in a strong position to adopt and successfully implement a green purchasing policy.

This is because synergies are created within an organization for managing

OUR SURVEY RESULTS SHOW THAT WHEN IT COMES TO THE SUCCESSFUL IMPLEMENTATION OF A GREEN PURCHASING POLICY, TOP-LEVEL MANAGEMENT INVOLVEMENT IS EVEN MORE IMPORTANT THAN FINANCIAL RESOURCES.

both types of policies and activities, which can create economies of scale and reduce operational costs.

Complementary policies and practices also help enhance management commitment and shared vision around similar issues, reduce the cost of green purchasing efforts, and facilitate the overall implementation success of green purchasing policies.

2 Use information about environmentally preferred products.

Individuals need information to make even simple decisions. That is why environmental product information, such as ecolabels and certifications, can help

local governments create a successful green purchasing program.

In the absence of this information, the impact of local governments’ green purchasing policies will be constrained.

For a list of preferred ecolabels, see the U.S. Environmental Protection Agency’s (EPA) report: *Recommendations of Specifications, Standards, and Ecolabels* (<https://www.epa.gov/greenerproducts/recommendations-specifications-standards-and-ecolabels-federal-purchasing>). While designed to assist with federal purchasing, the guidelines also apply to local purchasing.

3 Use e-procurement systems that integrate environmental product information.

To be effective for green purchasing, local governments’ e-procurement systems should integrate informa-

tion on green products and services.

Doing so reduces purchasing officers’ search costs for green product options and incentivizes green purchasing behavior. These systems can also create default requirements in favor of green purchasing and ways for local governments to track their green product spending.

Not all e-procurement systems are created equal. There are many types of e-procurement systems and not all of them provide the flexibility for integration. A useful resource to sort through the alternatives is the EPA report *Review of Federal E-Procurement Systems for Sustainable Purchasing Integration* (<https://www.epa.gov/>

greenerproducts/review-federal-e-procurement-systems).

4 Track spending related to green purchases. Local governments manage what they measure. Governments that track their green purchase spending therefore are more likely to elevate the importance of green purchasing in their routines and practices. Tracking spending can also encourage local governments to develop goals and targets on green purchases.

Ideally, tracking of green purchases should be integrated into an e-procurement system to assess green product attributes throughout the purchasing process and as part of the contract management process. Local governments should consider practices such as adding requirements to RFPs, including default green purchasing requirements; customizing their e-procurement system to add more green purchasing features; and creating dashboards within the system.

5 Enhance collaborative vendor relationships. Green purchasing can be complex. While the number of green product options is often limited, local governments typically don't have a lot of information about them. This is why vendors can help local governments successfully implement green purchasing programs. How? They know a lot about environmentally friendly products and services and can point out greener purchasing choices.

6 Assign responsibility to top-level management. When responsibility for green purchasing is assigned to top managers, it creates a clear line of accountability. It also signals the importance of green purchasing throughout the organization and helps build momentum and commitment. These factors increase the likelihood of implementation success.

Our survey results show that when it comes to the successful implementation

of a green purchasing policy, top-level management involvement is even more important than financial resources.

7 Foster a culture of innovation. Green purchasing programs are more successful with empowered employees who can take managed risks. Employees should be rewarded for seeking out new green products and services that continue to meet the needs of their local government and reduce negative environmental impacts. Incentives help create this culture and include internal recognitions and rewards, as well as creative competitions among (or across) departments or for specific purchasing categories.

Employees also should be encouraged to apply for external awards that encourage an innovation culture and further embed green purchasing in routines and practices.

8 Participate in professional networks to share best practices. Learn from those who have done it. Many local governments have developed successful green purchasing programs. Networks can help you connect with these local governments. They create ways for members to share best practices and expand their green purchasing programs.

Professional networks like the International Green Purchasing Network (<http://www.igpn.org>); Responsible Purchasing Network (<http://www.responsiblepurchasing.org>); and Sustainable Purchasing Leadership Council (<https://www.sustainablepurchasing.org>) have emerged to support green purchasing in local governments, companies, and other organizations.

These networks help local governments to learn about additional ways to introduce or strengthen green purchasing while avoiding implementation pitfalls already encountered by other members. Professional networks offer green purchasing training webinars and

conferences. They also provide information about external support as grants, educational programs, and awards and recognitions related to green purchasing.

In an increasingly connected world, local governments are positioned to be leaders in global environmental governance. The eight practices presented here are designed to help government officials exercise their leadership by reducing their environmental impacts, promoting a green economy, and saving money along the way. **PM**

ENDNOTES AND RESOURCES:

1 Source: U.S. Census Bureau. 2016. State and Local Government Finances by Level of Government and by State: 2013-14, <https://www2.census.gov/govs/local/14slsstab1a.xls>, last accessed June 23, 2017.

2 To measure implementation success, department directors who indicated that their cities had a green purchasing policy were asked this question: We are interested in your overall assessment of the implementation of your city's environmentally sustainable purchasing policy. How would you assess your city's overall implementation of this policy?

Department directors responded on an 11-point scale with 5 being "Very successful," 0 being "Neither successful nor unsuccessful" and -5 being "Very unsuccessful." For the purposes of their report, authors identified cities as having a "successful" green purchasing policy by combining responses of 1 through 5 and identified policies that were "less than successful" by combining responses 0 through -5.



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