MAKING BLUE GREEN

Transforming Green Ideals into Sustainable Procurement Practices

MiAPPA Annual Forum & Products Exposition
Ann Arbor, Michigan
February 10, 2010

Bonny Webber, University of Michigan
About Sustainability & Procurement

Sustainability & Procurement
NAEP Green Procurement Survey 2009
Drive Green Spending

Making Blue Green at the University of Michigan

Our Sustainability Program
Green Procurement
The Power of Recommendations & Promotion
Sustainability in Practice – Real-life Stories

Q&A
Sustainability means:

“Meeting the needs of the present without compromising the ability of future generations to meet their own needs.”

-United States Environmental Protection Agency

Note: Sustainability includes Social Responsibility
**Procurement**

*Procurement* includes:
“The entire process of obtaining goods and services from *sourcing* through *reconciliation and audit*.”

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-Bonny Webber, Operations Manager, Strategic Contract Management, University of Michigan,
NAEP Green Procurement Survey

Green Procurement in Higher Education at a Tipping Point in 2009

- 24% have a green purchasing policy
- In less than a year, an additional 48% indicated that they will too!
- 26% have NO plans whatsoever

Q: Does Your Campus have a Sustainability Plan?
Q: Do you have a formal Green Procurement Policy?
Q: Do you have a Climate Action Plan?
Tracking spend can be accomplished by less than 15% of the respondents systems.

61% of the respondents cannot measure anything!

Q: What % of procurement spending is on Green products and materials?

Don’t Know: 61%
0-10%: 15%
10-20%: 15%
20-30%: 5%
30-50%: 2%
Over 50%: 2%
Drive Green Spend & Practices

- Contract and enable the right suppliers & products
- Showcase and promote green suppliers and products
- Search and highlight green products and suppliers with attribute icons
- Use technology to support green ideals
- Capture and report transaction details
Agenda

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Q&A
About the University of Michigan

Sizable University
- Three Campuses
- 56,000+ Students
- 40,000+ Faculty & Staff
- $5B Operating Budget
- $1B Research Spend

Sizable Footprint:
- 584 Major Buildings
- Ann Arbor Campus has 30.6 million sq ft building space
- AA uses $111 Million in utilities
- 80,000 desktop computers
- Recycled enough paper last year to save 36,600 trees
“The pressing challenge of environmental sustainability is a huge global concern. From teaching and research, to hands-on engagement, we are going to leverage our many strengths to make significant contributions to an urgent and extraordinarily complex problem. We aim to inspire students, faculty and staff to become involved in these issues that affect our lives and our future.”

U-M President, Mary Sue Coleman
Announcement of U-M multi-faceted Sustainability Initiative
October 5, 2009

http://www.sustainable.umich.edu/top/newsentry/u-m_president_coleman_launches_multi-faceted_sustainability_initiative/
The University of Michigan strives to lead by example. Through the open discussion and clear documentation of defined environmental performance indicators, the efforts of our faculty, staff, and students become the foundation for campus sustainability.

The U-M Annual Environmental Reports present an update of the University’s stewardship activities using six principal environmental performance indicators defined by the 2003 President’s Environmental Task Force:

- Energy Use
- Air Emissions
- Water Use
- Land Use
- Materials Use and Solid Waste
- Cross-Cutting and Emerging Issues

http://www.oseh.umich.edu/stewardship/reporting.html

“The taking care of our planet environment is like taking care of our own home. We have a responsibility to take care of the environment. It is our only home.”

The 14th Dalai Lama
April 20, 2008
U-M Six Point Initiative

1. Environmental Reporting
2. Renewable Energy
3. Alternative Transportation
4. Green Purchasing
5. New Construction / Renovation Projects
6. Planet Blue
   - Three-year project designed to actively engage the U of M community to conserve utilities and increase recycling

Hank Baier, Associate Vice President
April 19, 2007 Regents Meeting Minutes
Recommend & Promote
Recommend & Promote
Higher Life Cycle Value
Higher Life Cycle Value
Use of Technology
Use of Technology
Make Everyone Part of Procurement
Make Everyone Part of Procurement
vs.
vs.
Mandate & Enforce
Mandate & Enforce
vs.
vs.
Consider Item Price Only
Consider Item Price Only
vs.
vs.
Paper and Fax Ordering
Paper and Fax Ordering
vs.
vs.
Limit Ability to Shop
Limit Ability to Shop
Green Procurement
M-Marketsite & Related Online Information

- Easy-to-use marketplace
- Suppliers in prominent place
- For everyone (even students have access)
- With detailed information available at online contract pages
Sourcing Green Challenges

• Simply Challenging
  • Need to validate green claims
  • Need to incorporate green language into contracts
  • Need to build in follow-up
  • Need to build in SLA and performance measurements
  • Need assistance from suppliers and manufacturers

• No unified standards for products (emerging field)
  • Working with EPA on Energy Star standards lab freezers

• No unified RFP/Q or contract language
  • Working with Big 10

• 1:1 research with suppliers to identify what is ‘Best Value’
  • Uniquely green products are easy
  • General and existing suppliers are more challenging
  • What is ‘Best Value’ depends on many factors
Green Purchasing >> Buying "Green" in M-marketsite

ORDERING GREEN PRODUCTS THROUGH M-MARKETSITE

M-marketsite is the University’s online catalog ordering system that allows faculty and staff to login and place orders from many suppliers. There are 35 suppliers offering a wide variety of products including laboratory supplies and equipment, office supplies, dental supplies, furniture, computers, food and beverages, and U-M logo products. Click here for instructions on how to access M-marketsite.

M-marketsite supplier catalogs are either punchout or hosted. How you search for Green Products depends upon which type of catalog you are using. Listed below are search options by punchout and hosted.

Punchout Supplier Catalogs

Punchout supplier catalogs have icons listed in the catalog. Examples of punchout suppliers are Fisher, Sargent-Welch and Covance. When you are searching for Green Products in a punchout catalog, suggested search terms are Energy Star, recycled, and Green Products. Click on these lists to find products that meet your requirements.

Many M-marketsite punchout suppliers have custom Green Product lists. Click on these lists to find products that meet your requirements.

The majority of punchout suppliers give you the ability to view sales representative contact information. Each M-marketsite supplier sales representative can assist you in creating Green Product lists for each M-marketsite supplier.
Real Life – Office Supplies

Where We Were:
- Major office product supplier adds fuel charges to orders under $50
- Orders delivered daily with no size restriction

Solution: Order Consolidation
- Eliminated Wednesday delivery
- Campaigning for once a week ordering
- Held Customer Forums Jan – Feb 2008

Results:
- Environmental Impact:
  - 26 tons of CO₂ emissions reduced
  - 2,400 gallons of fuel saved
  - 23,800 delivery miles avoided
  - 7.7 tons of corrugated cardboard saved
- Economic Impact:
  - $140,000 fuel charge avoidance

YOU CAN HELP

By Making Small Changes To The Manner In Which We Order
- Stimulate market demand for greener products
- Help the University meet its environmental commitments
- Improve worker safety and health
- Reduce health and disposal costs
- Reduce University liabilities

All while improving the environment we share.

Consolidate orders to once per week: By reducing fuel use, carbon emissions, and traffic congestion.

Set a minimum order value of $50: By increasing order size, we reduce the amount of packaging waste. Vendors have a limited number of outsourced packages, and we have a single pen surrounded by foam packaging or is filled with air, which we throw away.

Switch to On-line ordering: Eliminate the need to take the time to order, and frees up valuable desk space for important work.
- Reducing Carbon Footprint
- Promote Local Businesses
  - WBE: Remanufactured Toners
  - DBE: Coffee Supplier
- “Self-managed” Hosted Catalogs
- Premium Position & Search
Real Life—Other Green Initiatives

STRATEGIC SUPPLIERS' GREEN INITIATIVES

- Carpet Recycling
- EcoSafPak Containers for Glass Bottles
- Furniture Remanufacturing
- Mercury Free Thermometer
- Pipette Box & Insert Recycle Program
- Pure-Pac and Cylinder Return Program
- Recycle-Reuse-Reduce
- Remanufactured Toner Cartridges & Recycle Program
- Reuse Campus Envelopes Program
- Smaller Organic Chemical Packaging

Growing List of Green Initiatives & Supplier Partnerships

Fisher Scientific Proudly Announces...
The Pipette Box & Insert Recycling Program

NEW! Fisherbrand® SureOne® Pipet Tips
New, improved Fisherbrand® SureOne® Reload system offers a full line of universal fit pipet tips in both filtered and nonfiltered configurations.

Easy as 1, 2, 3!
1. Contact UM Recycling at 3-5539 or recycle@umich.edu for a new or replacement box
2. Dispose of decontaminated #5 boxes & inserts in the box
3. Call UPS to pick-up your package FREE of charge

We Accept Both!

To Order:
Call: 615-6767
Fax: 615-6877
Questions Call: 734-763-5339

University of Michigan
FINANCE
Real Life – Plant Operations

- Resource Distribution → Order online w/delivery or runner vs. leave site to go to store
- Reconciliation Process Improves → Technology providing ability
- Auditing Requirements → Detailed audit trail, orders and invoices stored electronically
- Environment Improves → Less C0₂, paper waste and traffic congestion
- Customer Service Improves → Budget allocations and recharges more timely

Online ordering for maintenance & construction sites

Win-Win
This resulted from the efforts of the U-M Business Process Improvement Team lead by the Manager of Plant Materials and Moving Services. This was a collaborative effort consisting of Plant cross-functional members and stakeholder departments. Using M-marketsite catalogs for online ordering and integrating the purchase orders and invoices with M-Pathways and FMAX is a major component to the success of their initiative.

### Job Related Activities
- Determine the Need
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- Delivery or Pick Up

### Financial Related Activities
- Allocating Expenses
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- Billing Clients & Close WO
- Reconciling Budget Expenses
- Retention & Auditing
Established:
- School Focus & Support
- Campus Participation
- M-Marketsite
- Specific Programs
- Combining Green with Cost Savings

Developing:
- More Supplier Catalogs
- Green Standards
- Contract Language
- Ordering Work Flow
- Auditing Criteria & Reports
Questions?

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http://www.procurement.umich.edu/greenpurchasing.html