

# General Services Administration will require sustainability for federal government vendors

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"Sustainable public procurement (SPP) is about improving the efficiency of public procurement and at the same time using public authority market power to bring about major environmental, social and economic benefits locally and globally." - Mark Hidson and Simon Clement, *Driving Sustainability Through Procurement: The Procura Campaign*

The agency charged with federal government acquisitions, travel, property acquisitions and management of government workplaces, the **General Services Administration (GSA)**, is flexing its muscles as a market participant and will soon require all vendors who wish to provide goods to the federal government to report their greenhouse gas (GHG) emissions with preferences provided to those vendors that comply. Ultimately, the GSA seeks to create a sustainable supply chain for federal government procurement. Those wishing to do business with one of the world's largest buyers of goods and services, the federal government, must be ready to meet this challenge.

In October 2009, President Obama issued **Executive Order 13514** which directs all federal agencies and departments develop strategies to become more sustainable and requiring implementation of plans to reduce GHG emissions. Sources of GHG emissions were identified by "scopes." Scope 1 pertains to emissions from sources directly owned and operated by the federal government. Scope 2 involves GHG emissions from the generation of heat, steam or electricity purchased by the federal government. Scope 3 relates to the current GSA initiative - those sources not owned by the federal government, but are related to federal government activities.

Over the next two years, the GSA will make changes to its acquisition rules to reflect this new direction. In addition, employees charged with procurement decisions will be trained. Then, vendors seeking to sell goods to the federal government will be required to comply. Approximately 600,000 companies are registered with GSA to receive government grants or contracts, highlighting the far-reaching impact of such a rule.

Governments can influence policy in one of two ways. It can either directly involve itself in commerce by the passage of statutes and promulgation of regulations. However, as a market participant, the federal government can flex its purchasing muscle to drive policy, as well. In doing so, it is following in the footsteps of private corporations, like Walmart, which has instituted its own requirements for its suppliers under its **Sustainability Index**.

GENERAL SERVICES ADMINISTRATION WILL REQUIRE SUSTAINABILITY FOR FEDERAL GOVERNMENT  
VENDORS Cont.

As people continue to debate the validity or invalidity of global climate change, the federal government and some private industries are not waiting for the passage of regulations. The reality is that if you are a supplier wanting to do business with one of the largest purchasers of goods and services in the world, you will need to start tracking your emissions and become more sustainable. Those companies resisting this change will find themselves losing contracts to their competitors that have embraced these requirements.

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