

# The Greening of Professional Services

*Environmental preference purchasing not just for commodities anymore*

BY STACEY FOREMAN

Acceleration of green products in the marketplace over the past decade makes it easy for public procurement professionals implementing environmentally preferable purchasing (EPP) policies to spend all their time focused on green commodity purchases such as paper, office supplies and lighting. After all, most of the market's ecolabels and related standards have focused on these types of goods. But what about professional services such as engineers, architects, health care services, and consultants? In contrast, among services, the green market barely makes a dent.

Common advice when first implementing an EPP policy is to "start with the low-hanging fruit." Advisers subsequently cite examples such as recycled-content paper, energy-efficient electronics and third-party certified cleaners, all of which are fairly common in the marketplace, have well-recognized ecolabels and are easily verifiable. In contrast, few such standards or ecolabels apply to professional services. Yet, for many municipalities, professional services make up the vast majority of their procurement spend. According to a recent article by Sarah Chacko in the *Federal Times*, "contract spending [by federal agencies] on 15 types of professional and management support services quadrupled from \$10 billion in 2000 to \$40 billion in 2010." Clearly, there is a lot of money being spent on these types of contracts. So where is the "low-hanging fruit"?

## Boilerplate language

The first step for many agencies often involves ensuring all solicitation and contract templates, whether for commodities or for services, incorporate certain boilerplate EPP language. EPP procedures in Spokane, Wash., require all city departments to "ensure that requests for bids and proposals issued by the department ask that contractors and consultants use recycled paper and both sides of paper sheets whenever practicable." In addition to similar paper requirements, the City of Seattle adds other green initiatives to their boilerplates, such as no-idling language.

Public agencies can take the next step to reduce the environmental and human impacts of professional services by going beyond boilerplates and focusing on the unique deliverables of each solicitation or contract.

## Identify the deliverables

Although ecolabels and related standards are largely absent in the professional services marketplace, the approach to greening these procurements is not all that different from the approach taken for goods. Before the green movement took hold of commodity markets, procurement professionals looking for environmentally preferable products had to start with the basics: what are the physical qualities or impacts of the product that could be made in a safer, less-polluting, or less resource-

dependent manner? The same approach applies to professional services: what are the deliverables? How can those deliverables be completed in a way that reduces environmental and human health impacts?

As with commodities, public agencies typically require a large variety of professional services; so the task of identifying how to “green” those contracts may seem overwhelming. And while there will likely be some services that are not practical to “green,” there are some common themes to greening professional service deliverables. Examples of these themes include:

## Resources for professional services EPP specifications

### Example Specifications

City of Portland, Ore.: [www.portlandonline.com/buygreen](http://www.portlandonline.com/buygreen)

Multnomah County, Ore.: <http://web.multco.us/purchasing/example-language-solicitations>

### Example Green Business Recognition Program

California Green Business Program: <http://greenbusinessca.org/>

## ULE 881: Sustainability for service sector organizations

Currently in development, ULE 881: Sustainability for Service Sector Organizations, is a comprehensive company-level sustainability standard from UL Environment [[www.ulenvironment.com](http://www.ulenvironment.com)]. It will help the market answer the question: “what does a sustainable company look like?” and provide consumers with a tool to easily identify service sector companies that are going beyond regulatory compliance and striving to be truly sustainable.

ULE 881 (and ULE 880: Sustainability for Manufacturing Organizations) are the first comprehensive, verifiable, company-level sustainability rating systems developed by a global certification organization, with input from a diverse range of stakeholders. It differs from other types of systems increasingly common to the world of sustainability, such as ranking systems (e.g., Newsweek); Indices (e.g., Dow Jones); guidance documents (e.g., ISO 26000); and sustainability protocols (e.g., Walmart’s Sustainability Index). It focuses on the full spectrum of environmental and social issues generally referenced by such terms as “sustainability” or “corporate social responsibility.”

**Deliverable: Design/product specifications.** Many professional services, from architects and engineers to trade-specific consultants, involve design and product specification deliverables. Specifications for these services can require compliance with known green product standards/ecolabels, energy efficient systems,

value-based engineering, or green building certification standards (e.g. the U.S. Green Building Council’s Leadership in Energy and Environmental Design standard - LEED). Evaluative criteria can gauge the vendor’s experience, education and training on these focus areas.

### Deliverable: Workshops/meeting coordination.

Many consultant services involve meeting facilitation and coordination. Specifications can require that the consultant follow green meeting practices: waste minimization, sustainable catering, public transit options, etc. (For more information go to [www.bluegreengmeetings.org](http://www.bluegreengmeetings.org).) Evaluative criteria can explore the vendor’s experience with, and knowledge of, minimizing meeting-related waste and resource use.

**Deliverable: Reports.** Almost all consulting services involve reports or other paper-based deliverables, which is why many agencies incorporate paper-related EPP language in their boilerplates. In addition to requiring double-sided printing and recycled content paper, specifications can require reports to be submitted in readily recyclable bindings. For example, the City of Seattle prohibits submittals in plastic-based bindings (such as PVC-covered 3-ring binders) due to the challenges in recycling those materials. Another key opportunity with report-based deliverables is to require electronic submittals in lieu of hard copies.

**Deliverable: Health care services.** From the products used to waste reduction practices, there are many opportunities to “green” health care services. There is a wealth of information through groups such as Health Care Without Harm (<http://www.noharm.org/>), which publishes many guides on various green health care topics.

### Deliverable: Custom software development.

Depending on the scope of the software project, EPP specifications can address requirements that the resulting software support electronic communication and workflow (as opposed to paper-based transactions). If the software development includes hosting services, specifications can address the energy efficiency of the data center used by the developer.

**Deliverable: Travel.** To perform the required professional services, vendors may have to travel. EPP requirements or evaluative questions may explore the vendor’s capacity to travel via low-carbon methods or to purchase carbon offsets for contract-related travel. Low-carbon travel can range from using electric vehicles and public transit for local trips, to taking the train for regional travel. TerraPass ([www.terrapass.com](http://www.terrapass.com)) is one example of a company that can help businesses calculate and offset travel-related carbon emissions.

More examples of professional service EPP specifications are available from some agency websites [see Resources sidebar]. However, some public agencies do not stop at EPP deliverables. Many are taking the next step to evaluate the environmental and human health impacts of the potential contractor’s business practices.

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### **Buying services from green companies**

Not unlike commodity procurements, the majority of environmental and human health impacts of professional services may actually occur at the vendor's place of business. But does public procurement lend itself to being able to purchase green deliverables from green companies? How does one evaluate the "greenness" of a professional services company?

Some public agencies choose not to pursue green procurement beyond products and other deliverables. Doing so may be viewed as conflicting with procurement rules that direct an award be based on the products or services performed, not including the business practices of the vendor. However, many procurement rules also direct procurements to be made to "responsible" bidders or proposers. Can "responsible" incorporate the vendor's sustainable business performance? To date, it seems each public agency has its own answer to the question.

Even if an agency decides to include a company's green business practices in its requirements or evaluative criteria, defining those green practices can present its own challenges. The ability of a company to incorporate green practices is subject to numerous variables, from the size of the company to its office location. How do you compare a multi-national consulting firm implementing zero-waste software solutions to a small consulting firm that has an 80 percent recycling rate and whose employees bike or walk to work every day? Or a corporation that is able to afford ISO 14000 certification versus a small business that achieves local recognition for its sustainability practices? The subjectivity of comparing the "greenness" of a business is why many public agencies taking this step incorporate these questions into evaluative criteria in Requests for Proposals and other evaluation-based solicitation methods (as opposed to incorporating specific sustainable business practices as minimum requirements).

With all of these challenges, is it worthwhile to pursue buying green from green companies? I would argue yes. It does not make much sense to buy environmentally preferable products and services if the benefits gained are offset by the manner in which the company conducts business. Whether through evaluative criteria or the use of sustainable business standards, incorporating green into how agencies define a responsible vendor is likely to

continue to grow. And professional services contracts, with their otherwise limited green procurement resources, may present the greatest opportunity to further this component of sustainable procurement.

### **Standards on the horizon?**

With all the confusion and greenwashing present in the commodities markets, are public agencies ready for professional services sustainability standards or ecolabels? Perhaps not. And yet, if quality tools are developed, they could save procurement professionals time and frustration. Here are some examples of how the green professional services market may develop:

**Professional accreditations.** Like the Green Building Certification Institute's (GBCI) LEED Accredited Professional and LEED Green Associate programs, green professional accreditations are likely to expand into other disciplines. As with ecolabels, their effectiveness will largely depend on the strength of the accreditation requirements, development process, and continuing education requirements.

**Third-party recognition programs.** There are various examples of green business recognition programs run by government agencies or non-profits that can help purchasers identify businesses actively reducing their human health and environmental impacts. Public agencies may be able to incorporate such recognition programs or some of their criteria into solicitation documents. However, these recognition programs tend to be commodity- or local-specific, making them less effective tools when non-local firms are likely to participate. Yet, if there were some harmonization among existing recognition programs, this approach could turn into a viable tool.

**Third-party ecolabels or standards.** Sustainability-related business standards, such as ISO 14000 and UL 881, are likely to continue to grow. As with commodity-based green certifications, the additional expense of certification may limit the adoption of sustainable business standards to large corporations. Yet, it is likely the development of such standards will help define and expand the use of best practices among all types of businesses, making it easier for public agencies to incorporate elements of these standards (or the standards themselves) into solicitations and contracts.

In the meantime, for many public agencies, taking on the "green low-hanging fruit" in professional services will keep their environmentally preferable procurement programs busy. As the greening of the professional services market becomes more sophisticated, so do the opportunities to reduce associated environmental and human health impacts in meaningful ways.

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### **About the author**

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