

Executive Summary of FY 2012 Corporate Sustainability Plan

July 2012



MILLENNIUM
CHALLENGE CORPORATION

UNITED STATES OF AMERICA

Overview

The Millennium Challenge Corporation (MCC) is committed to promoting and supporting environmental sustainability in its policies and operations. MCC's FY 2012 Sustainability Plan reflects MCC's strong commitment to meeting all applicable environmental and energy statutes, regulations, and Executive Orders, addressing specifically Executive Order (EO) 13514, "Federal Leadership in Environmental, Energy, and Economic Performance." EO 13514's goal is "to establish an integrated strategy towards sustainability in the Federal Government and to make reduction of greenhouse gas emissions (GHG) a priority for Federal agencies." This document provides an executive summary of the Sustainability Plan.

MCC is a small agency with fewer than 300 federal employees at its leased headquarters in Washington, DC, and a minimal presence in partner countries abroad. Despite its small size and limited scope of operations, MCC is committed to creating a sustainability-conscious operating environment for all of its employees and continuously improving policies and practices to enhance its environmental performance. MCC has made continued progress toward enhancing its environmental performance, increasing efficiency, reducing waste, and greening procurement. The following is a brief summary of ongoing activities.

Greenhouse Gas Reduction

MCC is a small agency that neither owns nor controls any significant sources of direct greenhouse gas emissions. MCC leases approximately 125,000 square feet of commercial office space in two adjacent commercial buildings, in which electricity consumption of both buildings is centrally metered and shared with other lessees. MCC leases and operates a single E85-fueled hybrid vehicle. Therefore, Scope 1 and Scope 2 emissions targeting do not apply.

Nonetheless, MCC continues to work to enhance its environmental performance, improve efficiency and reduce GHG emissions. MCC's ongoing efforts to enhance efficiency and reduce electricity consumption include:

- ★ Working with building management to identify areas where lighting upgrades or motion sensors have yet to be installed, and upgrading to energy-efficient compact fluorescent or light-emitting diode (LED) lighting, installing motion sensors where needed;
- ★ Improving power management of information technology devices and configuring enhanced power management capabilities on all desktop and laptop devices to improve performance and reduce GHG emissions;
- ★ Promoting conservation efforts, including posted signs encouraging staff to "turn off the lights;"
- ★ Leasing a single F85-fueled hybrid vehicle with approximately 3000 miles per year of vehicle use;
- ★ Providing subsidies to encourage the use of public transportation with two thirds of the agency participating;
- ★ Implementing a pro-cycling policy revision that will provide subsidies for cyclists, consistent with OMB guidance; and
- ★ Working with building management to install an additional rack for bicycles.

MCC Scope 3 emissions derive from staff commuting and airline travel. In 2011, MCC surveyed employee commuting habits and confirmed that the majority of staff commuting miles, 53%, were via public transportation, compared to 42% via personal vehicles. Given the inefficiency of commuting via personal vehicles, these commuting miles contributed disproportionately (66%) to overall commuter-derived GHG emissions compared to fewer contributions (33%) from commuting miles via public transportation.

In 2011, MCC also implemented a flexible work program that allows employees to work alternative work schedules or telework. Such programs are expected to reduce staff commuting; based on current and projected enrollment in such programs, MCC established a 15% emission reduction target for Scope 3 emissions derived from staff commuting by 2020. Given current participation rates in these programs, it is likely that MCC has achieved its FY 2012 target of a 5% reduction in emissions derived from staff commuting.

Buildings, ESPC, and Regional and Local Planning

MCC's leased office space has modern, energy-efficient systems, including upgraded energy-efficient HVAC, lighting, motion sensors, and low-flow fixtures. The owners of both buildings have applied for the 2012 Energy Star rating for commercial buildings. One of the buildings has applied for and received Silver LEED certification and has earned the Energy Star rating in each year since 2008. MCC's ongoing efforts to enhance efficiency and reduce electricity consumption include the following:

- ★ Continuing to engage lessor(s) and building management to identify cost-effective opportunities to enhance performance and reduce GHG emissions;
- ★ Completing a space consolidation analysis to evaluate opportunities to enhance space utilization efficiency and reduce the carbon footprint of MCC operations; and
- ★ Confirming low-flow fixtures or otherwise restricting flow rates.

Pollution Prevention and Waste Reduction

MCC is committed to pollution prevention, waste elimination and recycling, and has taken steps to minimize waste and encourage conservation.

In 2009, to reduce paper consumption, MCC implemented new printer standards that eliminated use of cover sheets and required that all devices be set to duplex (double-sided) printing. In FY 2012, to further reduce paper consumption, MCC will refresh its printers.

Going forward, MCC will continue to identify and implement cost-effective opportunities, where relevant, to minimize waste, increase reuse, and encourage staff participation in recycling. MCC's ongoing efforts in this area include:

- ★ Continuing to use environmentally preferable soy-based inks;
- ★ Continuing to use 100 percent post-consumer recycled content, acid- and elemental chlorine-free, FSC certified paper;
- ★ Reducing number of copiers and printers;
- ★ Maintaining leases in commercial buildings that are Energy-Star or LEED rated, and which continue to implement Energy Star and LEED applications such as water reduction, shortened common area light usage, and installation of motion/sound detectors;
- ★ Maintaining a hybrid vehicle fleet;
- ★ Implementing internal communications campaigns to raise awareness of employee contributions to conservation;
- ★ Offering a commuter subsidy program to encourage use of public transportation;
- ★ Discontinuing use of disposable cardboard boxes for internal moves;
- ★ Participating in recycling programs with vendors, including toner and BlackBerry recycling; and
- ★ Distributing recycling bins to individual offices and cubicles.

Sustainable Acquisition

MCC will ensure that a minimum of 95% of new contract actions, including task and delivery orders under new contracts and existing contracts, require the supply or use of products and services that are energy-efficient (Energy Star or FEMP-designated), water-efficient, biobased, environmentally preferable (excluding EPEAT-registered products), non-ozone depleting, contain recycled content, or are non-toxic or less toxic alternatives when applicable product categories are included/procured in the contract action.

MCC has generated agency affirmative procurement plans (also known as “green purchasing” plans or “environmentally preferable” purchasing plans), policies and programs to ensure that all mandated federally designated products and services are included in all relevant acquisitions.

In FY 2012, MCC intends to expand its Affirmative Procurement Program by adding additional guidance and language to the MCC Purchase Card Standard Operating Procedures documents. The guidance will focus on use of environmentally-preferred products, such as EPA-designated and bio-preferred products. This will further ensure that agency purchase card holders consider sustainability in micro-purchases.

MCC's Affirmative Procurement Program will also encourage affirmative procurement under services contracts. Most of MCC's contracts consist of professional consulting services for purposes of area or sector expertise, independent engineering, and impact analysis. As many of these contracts require paper-based deliverables, like reports, and contain other direct costs (ODCs), MCC intends to create a new ODC clause based upon the conditions already present in FAR clauses 52.223-2 (bio-preferred) and 52.223-17 (EPA-designated). This clause will encourage affirmative procurement of biobased and EPA-designated items under its service contracts, as well as request that all deliverables be provided first in electronic format, then on minimum 30% recycled paper if provided in hard copy.

MCC has made a training module accessible to staff involved in purchasing and acquisition that summarizes the Acquisition Instruction, including policies/procedures for ensuring incorporation of sustainable acquisition requirements into agency procurements (specifications reviews, FedBizOpps notifications, model contract language, etc.).

MCC has also updated its invoicing clause to emphasize use of electronic invoices.

MCC intends to review and expand its Affirmative Procurement Program by including guidance for purchase card operating procedures, and agency clauses and guidance to address contractor deliverables and use of ODCs.

Electronic Stewardship and Data Centers

MCC strives to reduce the carbon footprint of information technology (IT) through virtualization and consolidation of IT hardware, software and systems. The Office of the Chief Information Officer within the Department of Administration and Finance is responsible for overseeing, planning, prioritizing, developing, contracting, operating, and maintaining the agency's information and communications technology resources.

MCC has invested in upgrading tools to support collaboration within the agency and with its partners. These tools are being enhanced to improve usability. Effective implementation is expected to contribute to an overall reduction in air travel and enhanced telework.

MCC data and services have been substantially virtualized and moved to a commercial facility. This enables MCC to minimize infrastructure and to surge capacity if needed, resulting in an overall smaller permanent footprint and reducing electricity consumption. In addition, MCC is already using "software as a service" for significant applications such as our financial system, our procurement system, audit tracking systems, and video collaboration systems. We are in the process of evaluating more "software as a service" options.

Conclusion

MCC remains committed to working to enhance sustainability in its Washington, DC headquarters and in its compact projects overseas. As the initiatives described in this executive summary take hold, MCC anticipates seeing results not only in environmental stewardship of headquarters operations, but also in reduced costs and improved social responsibility.

In striving to achieve its mission of reducing poverty through economic growth, MCC will continue to prioritize environmental sustainability in its policies, principles and practice.