

**Addendum to the 2012 Strategic Sustainability Performance Plan:
Responding to the President’s Memorandum on Promotion of Biobased Markets**

On February 21, 2012, President Obama signed a Memorandum, *Driving Innovation and Creating Jobs in Rural America through Biobased and Sustainable Product Procurement*. The memorandum requires all federal agencies to undertake a number of activities to increase their purchase of biobased products. The Department of the Treasury is moving aggressively to implement the Presidential Memorandum requirements.

Accomplishments to date include:

- The Department of the Treasury revised the Green purchasing review template to state: Indicate any corrective actions if 95% was not achieved and if compliance for including biobased clauses in relevant contracts is currently less than 50 percent;
- Revised the Green purchasing review template to state: Bureaus shall focus acquisition compliance reviews on biobased contract actions such as Design and/or Construction, Operations and Maintenance, Janitorial Products/Services, Office Supplies, Furniture, Cafeteria ware/Service, Fleet Management, Hospitality: Uniforms, Bedding, Linen, Meeting and Conference Services, and Information Technology Equipment; and
- Added Green Purchasing and Biobased compliance metrics to our Department and Bureau scorecards which are tracked through our ProcureSTAT Sessions with upper level management.
- The Internal Revenue Service (IRS) made progress in adding green clauses and requirements to contracts such as custodial, construction, landscaping and grounds maintenance;
- Required contracting staff to modify applicable contracts to add or update Clause 52.223-2, Affirmative Procurement of Biobased Products Under Service and Construction Contracts (Jul 2012);
- Had acquisition workforce including procurement officials, non-procurement personnel such as Contracting Officer Representatives (CORs), and purchase cardholders complete the IRS on-line buying green training course which included biobased requirements. 85% of Procurement officials and CORs completed the fiscal year (FY) 2012 training;
- Updated in FY2012 the Affirmative Procurement Plan (APP) known as the Green procurement plan (GPP) to address current biobased requirements;
- Monitored biobased contract compliance through quarterly contract reviews;
- Deployed in October 2012 an enhancement to the Procurement contract writing system to track purchases of green products at the line item level, including EPEAT-registered products and associated rating for the EPEAT-registered item being purchased. When the Product or Service Code (PSC) is entered in the Procurement system by the buyer, the system recognizes the PSC for green products and alerts the buyer of the next steps. If an exception to buying green applies, the buyer is instructed to include a justification in the contract file; and
- Discussed the Federal buying green mandate during small business counseling sessions.
- The Bureau of Public Debt (BPD) are having acquisition workforce (71 employees) take web-based training on www.biopreferred.gov;
- Incorporating the referencing the Sustainable Facilities Tool on GSA’s “Green Products Compilation” webpage for biobased purchases; and

- Including biobased clauses and requirements in all janitorial and construction contracts.

Baseline for Biobased Contracting:

Prior to the issuance of the President's February 2012 Memo on Biobased Procurement, The Department of the Treasury included requirements and clauses for biobased products in 9 percent of appropriate contracts during the first two quarters of FY 2012 (based on quarterly review of a five percent sample). However, this is not an accurate baseline due to the fact that all actions may not have been eligible to include biobased requirements.

To get an accurate percentage the FY12 3rd and 4th quarter Green purchasing review template was modified to include a drop down field for Biobased actions with Yes, No, and N/A as mandatory options. This allowed the Department of Treasury to accurately measure the percentage of eligible biobased actions that are in compliance. The Department of the Treasury included requirements and clauses for biobased products in 66 percent of appropriate contracts during the last two quarters of FY 2012 (based on quarterly review of a five percent sample).

FY 2013 Target/Compliance Goal:

- The Department of the Treasury plans to meet a level of 50 percent for all relevant acquisitions in the first two quarters of FY 2013.
- The Department of the Treasury plans to achieve an annual goal of 70 percent compliance by the end of FY 2013.
- The Department of the Treasury plans to achieve full compliance of the 95 percent sustainable acquisition goal in E.O. 13514 for biobased products by the end of FY 2014.

Strategies for Improving Compliance:

The Department of the Treasury's strategy for improving compliance--full incorporation of requirements and clauses for biobased products in relevant and appropriate contracts and follow on activities to ensure compliance is achieved--includes the following elements:

- IRS will monitor compliance through quarterly reviews of eligible sustainable acquisitions. A report generated from the Federal Procurement Data System and the IRS Integrated Procurement System (IPS) will be used to conduct the quarterly reviews. The IPS alerts the contract specialists/contracting officers (CSs/COs) when a green product or service code is entered in the system. The appropriate green FAR clauses are automatically inserted in the solicitation and contract. The IPS also alerts the CSs/COs when a product that should be EPEAT-registered is being purchased. The CSs/COs is instructed to search the EPEAT database and enter the EPEAT rating in the IPS, at the line item level.
- IRS encourages the use of the US Department of Agriculture (USDA) sample bio-based statements of work templates from the BioPreferred website by including the hyperlinks in the Green Procurement Plan and the annual buying green training.
- The IRS will conduct a review of its active facilities operations and maintenance contracts in FY 2013 to monitor biobased compliance. The IRS FY2013 and beyond goal is that 100 percent of its facilities operations and maintenance solicitations and contracts include biobased contract language in the performance work statement and current Federal

Acquisition Regulation (FAR) Part 23 green clauses and provisions. In FY2013, the contracting staff was asked to modify facilities operations and maintenance contracts to include the FAR clause 52.223-2, Affirmative Procurement of Bio-based Products Under Service and Construction Contracts (Jul 2012 version), requiring IRS contractors to submit the FY2012 Bioreport, as specified in clause 52.223-2. Contracting staff was provided instructions to incorporate, in full text, a copy of the USDA Biobased Products Reporting Template in contract modifications. They will also instruct contractors to use the USDA template to submit the required Bioreport. IRS facilities operation and maintenance contracts provide a wide range of services including but are not limited to facilities management, operation, maintenance, custodial services, repair, minor alterations/construction services for buildings, structures and related support systems and equipment, snow and ice removal. The IRS currently has ten active facilities operations and maintenance contracts in the following locations:

Washington, D.C. - Main IRS headquarters building;
Ogden, UT Campus;
Fresno, CA Campus;
Kearneysville, WV - Enterprise Computing Center;
Covington, KY Campus;
Holtsville, N.Y - Brookhaven Campus;
Austin, TX Campus;
Andover, MA Campus;
Atlanta, GA Submission Processing Center; and
Memphis, TN Campus.

The three facilities operations and maintenance contracts that support Memphis, Andover and Atlanta campuses respectively will be re-competed and awarded in FY2013. The IRS plans to increase purchasing and tracking of biobased products by its contractors in FY2013 and beyond by modifying at least 50% of existing janitorial and grounds maintenance contracts that have option years to update or add the recent green clauses and provisions, including FAR clause 52.223-2. The IRS will re-compete and award the grounds maintenance and custodial/pest control contracts for the Memphis Campus in FY2013. The IRS will conduct on-going compliance reviews of other service and supply contracts such as cafeteria food service, toner/developer, and construction/alteration services to reinforce including biobased language and terms and conditions in the contracts.

- BPD will publish biobased compliance guidance and train purchasing personnel in its use.
- BPD will review all solicitation announcements to ensure that biobased language and requirements are incorporated as appropriate.
- BPD will include biobased requirements in at least 50% of its cafeteria, fleet maintenance and construction contracts and will attempt to include requirements and

performance standards for biobased products in 100% of newly awarded janitorial contracts.

- The Office of the Comptroller of the Currency (OCC) will notify the Pre-Award Team Leader and CO's of the missed clauses from the quarterly reviews to ensure future reviews include validating.
- The Bureau of Engraving and Printing (BEP) will ensure contract specialists are using the clause templates containing the applicable Green Purchasing/Biobased Product clauses available in their contract writing system.

Required Specification Reviews (for all agencies that control specification standards):

The President's Memorandum requires that wherever possible and appropriate, agency specifications require the use of sustainable products, including USDA-designated biobased products, and that any language prohibiting the use of biobased products is removed. The review shall be on a 4-year cycle and a significant number of reviews should be completed by the end of calendar year 2012. Results of these reviews must be reported annually to OMB and the Office of Science and Technology Policy (OSTP).

The Department of the Treasury does not have an action item related to specification reviews on our July 2012 OMB sustainability scorecard.