

TVA's Biobased Strategy

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 directs federal agencies to undertake a number of activities to increase purchases of biobased products. TVA is aggressively pursuing strategies to increase its purchase of such products.

Accomplishments to date include:

- TVA established a comprehensive, written green purchasing plan (GPP) in 2006 that outlined procedures for compliance with Federal statutes and executive orders requiring procurement of products which minimize impacts to the environment, including products containing recycled content, Energy Star products, Federal Energy Management Program (FEMP) designated products, low standby power using products, and bio-based products (excluding fuels). This plan has recently been updated to reflect guidance and new executive orders.
- TVA added green purchasing to Maximo tracking system, to be used for green purchasing compliance monitoring & corrective action.
- Updated the Green Products Purchasing Guide for employees, contractors, and suppliers to highlight previous and new biobased product listings.
- Posted the updated Green Products Purchasing Guide on the "TVA's Supplier Connections" website (http://supplier.tva.gov/Green_Products.html) for internal and external stakeholders.
- Reviewed the USDA's Biopreferred training module to identify best practices to enhance TVA's biobased training for employees, contractors and suppliers.
- Participated in on-going interagency group discussions on new strategies for increasing purchases of biobased products and services.
- TVA demonstrated full compliance with 95% sustainable requirements, including biobased standard beginning in FY 11 Q4.

Baseline for Biobased Contracting:

- Prior to the issuance of the 2012 memo on biobased procurement, TVA did have a formal process in place that included specific biobased purchase requirements. TVA is working to further advance sustainable acquisition; including qualifying purchases as meeting sustainable and biobased standards.
- An examination of the sampling of eligible contracts which were reviewed for sustainable acquisition reporting indicates that 12% of those qualified sustainable acquisitions met the biobased requirements during the first two quarters of FY 12. However, when reviewed against the total TVA Managed Spend, TVA's biobased spend accounted for only \$696,335 or 0.0252% of the total dollars (\$2.76B) and less than 1% of the total number of contract actions for the same period. TVA will increase efforts to educate employees on the Process to advance sustainable acquisition, including existing and new biobased standards to meet requirements in the President's Memorandum.

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FY 2013 Target/Compliance Goal:

- As a leader in sustainable acquisition strategies and compliance, TVA plans to implement actions to achieve a level of 50% compliance by targeting relevant bio-based acquisitions in TVA's electronic product catalog during FY 13.
- TVA plans to achieve an annual goal of 50% compliance with bio-based requirements during FY 2013 and increase by 5% annually thereafter.
- TVA plans to achieve full compliance with the 95% sustainable acquisition goal in E.O. 13514 for biobased products no later than FY 20 (based on a quarterly review of a 5% sample).

Strategies for Improving Compliance:

TVA's strategy for improving compliance includes the following elements:

- TVA plans to generate and disseminate agency level reports on biobased compliance using new biobased acquisitions added to its electronic product catalog.
- TVA plans to perform required biobased purchasing tracking, monitoring, collection and data reporting to support program evaluation and continue improvement.
- TVA plans to provide appropriate training, education and outreach programs to all acquisition personnel to encourage increased biobased purchasing.
- TVA plans to review the feasibility of using the USDA contract templates from the BioPreferred website as a reference for adopting biobased contract terms and conditions.
- TVA plans to explore the feasibility of including biobased requirements in newly awarded contracts for targeted contracts for products demonstrating greatest opportunity for success, including janitorial, fleet, construction, etc.
- TVA plans to modify its web pages to promote biobased purchases by providing information, tools and appropriate links to www.biopreferred.gov.
- TVA plans to enhance its outreach efforts and leverage partnerships with business development agencies to identify ways to increase the purchase of biobased purchases from small businesses.

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).

- By the end of calendar year 2012, TVA plans to begin reviews of target specifications under its control and determine the feasibility for implementing a plan to ensure that biobased products are included as appropriate.