Rating System & TAG Info Session
July 22, 2015
Webinar Objectives

• Briefly introduce SPLC
• Describe SPLC’s program development process
• Share the experiences of SPLC program committee members
• Provide logistical information for interested participants
Agenda

1. SPLC: Who, What, Why?
2. Program Development Approach
3. Panel: SPLC TAG Members
4. Participation Logistics
5. Q&A
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SPLC Founders Circle

City of Portland, OR
City of San Francisco, CA
City of Washington, DC

City of Portland, OR
City of San Francisco, CA
City of Washington, DC

State of California
State of Michigan
State of Minnesota

State of California
State of Michigan
State of Minnesota

U.S. DEPARTMENT OF AGRICULTURE

SUSTAINABLE PURCHASING LEADERSHIP COUNCIL
Strategic Partners
Broad Coalition

Federal purchasers:
- DOE, EPA, GSA, USDA

State/local government purchasers:
- Alameda County (Oakland), State of California, Cleveland, Denver, District of Columbia, State of Michigan, State of Minnesota, King County, Massachusetts Water Authority, Multnomah County (OR), Municipal Collaboration for Sustainable Procurement, Nova Scotia, Portland (OR), San Francisco

College and university purchasers:
- American University, Arizona State, Michigan State, Emory, Portland Community College, Portland State University, University of California at Santa Barbara, University of Pennsylvania, University of Texas at Austin

Corporate purchasers

Environmental advocacy organizations:
- American Clean Skies Foundation, CEGESTI, Healthcare Without Harm, Green Circle Certified, Michigan Dept of Environmental Quality, Practice GreenHealth, Sustainable Methods Institute, US DOE, US EPA, World Resources Institute, WWF

Social advocacy organizations:
- Coalition of Immokalee Workers, Fair Trade USA, International Campaign for Responsible Technology, International Labor Rights Forum, Canadian Aboriginal and Minority Supplier Council, Social Hotspots Database Project

Business associations:
- American Sustainable Business Council, American Chemistry Council, American Coatings Association, Business and Institutional Furniture Manufacturers Association (BIFMA), Institute of Supply Management,

Suppliers

Product Certifiers/Standards Developers/Labelers:
- Center for Resource Solutions, CIPS Sustainability Index, Equitable Origin, Fair Trade USA, Forest Stewardship Council, GreenCircle Certified, Green Seal, Roundtable on Sustainable Biomaterials, SCS Global Services, Sustainable Forestry Initiative, UL Environment, USDA, US EPA

Partners:
- ANSI, Association for the Advancement of Sustainability in Higher Education, BSR, ICLEI, ISEAL Alliance, NASPO (National Association of State Procurement Officials), Product Stewardship Institute, Responsible Purchasing Network, Sustainable Food Lab

Today: ~130 members; > $200bn in spend
SPLC members collaborate to create a multi-sector program for guiding, benchmarking, and recognizing leadership in sustainable purchasing.
Program Development

☑ Launch of Council (July 2013)
Program Development

- Principles (May 2014)
- Launch of Council (July 2013)
Program Development

- Technical Advisory Committee (TAC)

Technical Advisory Groups:
- Chemicals
- Construction & Renovation
- Electricity
- Food
- IT Hardware & Services
- Professional Services
- Transportation & Fuels
- Wood & Agrifiber

- Category Guidance (Feb 2015)
- Program Guidance (Feb 2015)
- Principles (May 2014)
- Launch of Council (July 2013)
Program Development

- 16+ hours of training videos
- Training (Feb 2015 - present)
- Category Guidance (Feb 2015)
- Program Guidance (Feb 2015)
- Principles (May 2014)
- Launch of Council (July 2013)
Program Development

- Rating System (2016)
- Benchmarking (2016)
- Self-assessment (2016)
- Training (Feb 2015 - present)
- Category Guidance (Feb 2015)
- Program Guidance (Feb 2015)
- Principles (May 2014)
- Launch of Council (July 2013)
Market Transformation

- Rating System (2016)
- Benchmarking (2016)
- Self-assessment (2016)
  - Training (Feb 2015 - present)
  - Category Guidance (Feb 2015)
  - Program Guidance (Feb 2015)
  - Principles (May 2014)
  - Launch of Council (July 2013)

1. “Common language” for purchasers and suppliers to speak about sustainable purchasing.
2. Suppliers obtain a competitive advantage by helping purchasers improve their performance. (e.g., “I can get you a point”)
3. Improved products and services become available for everyone in the marketplace. New normal.
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Rating System v1.0

Goal: Create a flexible system that evaluates the performance of an organization’s sustainable purchasing program and encourages its continued improvement, allowing users to:

- evaluate the effectiveness of an organization’s program;
- self-assess an organization’s sustainable purchasing program, in house and over time;
- identify opportunities to improve overall performance;
- benchmark to compare performance against common metrics, previous scores, and industry peers;
- validate organizational purchasing leadership, offering third-party certification of program assessments.
Rating System v1.0

The SPLC’s Rating System will achieve its functions through the following strategies:

- **identifying a set of yardsticks** (metrics) to allow for quantitatively measuring actions taken or performance achieved (or proxies for performance) in a particular area.

- **identifying baseline criteria** that purchasing organizations must meet within their sustainable purchasing program; and

- **allocating points to specific processes and strategies** that designate levels of achievement relative to purchasing impacts.
Program Committee Structure

Technical Advisory Committee (TAC)

- SPLC Board
- SPLC Staff

Ad Hoc Work. Groups

Technical Advisory Groups

- Chemicals
- Construction & Renovation
- Electricity
- Food
- Garments & Linens
- IT Hardware & Services
- Professional Services
- Transportation & Fuels
- Wood & Agrifiber
Program Development Approach

• Multi-Stakeholder
• Consensus-Based
• Leverages Existing Work
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Webinar Panelists

Mary Sotos
World Resources Institute

Lynne Olson
Ecolab

Johanna Kertesz
Minnesota Pollution Control Agency
Why did you choose to engage in SPLC’s program committees?

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What would you say to peer organizations considering participating in SPLC’s Rating System development process?

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Timeline

- **Now – Aug. 14th**: TAG Application Period Open
- **Summer 2015**: Develop Prototypes for Rating System Components (TAC, staff)
- **Fall 2015 – Spring 2016**: Content Development and Testing (TAC, TAGs, staff)
- **Summer 2016**: Rating System Pilot Begins
Committee Logistics

- Committees meet biweekly for one hour via conference call.
- Expect 4-5 hours of offline work per month.
- Must maintain a 2/3 attendance rate for meetings.
- Typical activities:
  - Review proposals
  - Deliberate with peers
  - Provide recommendations to TAC & Staff
  - Review market feedback and incorporate necessary changes
- Participants must be from SPLC Member Organizations

Access the TAG Application at [https://www.sustainablepurchasing.org/eoi](https://www.sustainablepurchasing.org/eoi)
Technical Advisory Groups

• Chemically Intensive Products
• Construction and Renovation Materials
• Electricity
• Food and Beverage for Food Services
• Garments and Linens
• IT Hardware and Services
• Professional Services
• Transportation and Fuels
• Wood and Agrifiber Products
Joining the Council...
Programs

- **Membership** – Leadership network and community of practice
- **Guidance & Tools** – Principles v1.0, Guidance for Leadership in Sustainable Purchasing v1.0, Category Guidance, Resources
- **Professional Development** – Training, CEUs
- **Convenings** – Annual Summit, workshops, webinars, topical and peer discussion groups
- **Solution Matching** – SPLC Connect, sponsorships, supplier directory
- **Leadership Recognition Programs** – Awards, Rating System
- **Outreach** – Raise visibility of sustainable purchasing movement
What is the Council membership deadline in order to join TAGs?

- We are accepting TAG applications from non-members.
- We can pro-rate your membership to match your fiscal year.
- 60 day trailing payment period. (Submit application now and have sixty days to pay.)
- Non-member applicants can be given “provisional appointments” to TAGs, contingent on their membership coming in before September 30th. Provisional appointees will be non-voting TAG members until their membership is in.

Apply for SPLC Membership
www.sustainablepurchasing.org/apply
While the Council’s members are organizations, the dues they pay and the benefits they receive depend on the types of staff they wish to engage in the Council’s work. This is because many member organizations have staff whose primary interest in the Council is distinct from other staff at the same organization.
A higher education institution may have procurement staff who want to participate because they buy goods and services for the institution’s operations and have faculty and researchers who want to participate because they are advocates for sustainable production and consumption.
Roles Example

A corporation that supplies goods or services to the marketplace will have purchasing staff who are distinct from the company’s product and business development staff. The purchasers may want to participate for access to purchasing guidance while the product and business development staff may want to participate in conversations that will shape guidance in markets they supply.
General Member Benefits

All Members

- **Networking** with forward-thinking purchasing professionals and other market stakeholders
- **Contribute** to the technical development of the Council’s guidance, measurement and leadership recognition programs
- **Access** member-only resources: webinars, conference calls, research reports
- **Join** expert Communities of Practice
- **Discounts** on registration for events and trainings
- **Public recognition** (member listing, member logo, press kit, etc)
- **Communication platform** (annual meeting presentations, blog articles, etc)
- **Eligibility** for awards programs
Additional Member Benefits

Purchasers may…

- **Participate** in Purchaser Representative Seats on Board, Committees, etc
- **Purchaser-focused** programming and communities of practice
- **Product & service discounts** offered by Supplier members

Suppliers may…

- **Participate** in Supplier Representative Seats on Board, Committees, etc
- **Sponsor** meetings, events and publications
- **Exhibit** at meetings and events
- **Advertise** in the Product & Service Directory
- **Offer product/service discounts** to SPLC members

Public Interest Advocates may…

- **Participate** in Public Interest Representative Seats on Board, Committees, etc
## Dues Schedule

<table>
<thead>
<tr>
<th>Annual Budget/Revenue</th>
<th>Purchaser Role</th>
<th>Supplier Role</th>
<th>Public Interest Role</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Annual Dues</td>
<td>Annual Dues</td>
<td>Annual Dues</td>
</tr>
<tr>
<td>less than $50 thousand</td>
<td>$100</td>
<td>$150</td>
<td>$100</td>
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<tr>
<td>$50 thousand to $250 thousand</td>
<td>$150</td>
<td>$500</td>
<td>$125</td>
</tr>
<tr>
<td>$250 thousand to $1 million</td>
<td>$225</td>
<td>$1,000</td>
<td>$250</td>
</tr>
<tr>
<td>$1 million to $5 million</td>
<td>$350</td>
<td>$2,000</td>
<td>$350</td>
</tr>
<tr>
<td>$5 million to $25 million</td>
<td>$550</td>
<td>$4,000</td>
<td>$500</td>
</tr>
<tr>
<td>$25 million to $100 million</td>
<td>$850</td>
<td>$7,000</td>
<td>$750</td>
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<td>$100 million to $500 million</td>
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<td>$10,000</td>
<td>$1,000</td>
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<tr>
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<td>$2 billion to $10 billion</td>
<td>$3,250</td>
<td>$16,000</td>
<td>$1,500</td>
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<tr>
<td>greater than $10 billion</td>
<td>$5,000</td>
<td>$20,000</td>
<td>$1,750</td>
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</table>

1 For federal and state agencies, the dues level corresponds to the annual budget of the agency. For local government and non-profits, the dues level corresponds to the annual budget of the whole organization. For for-profit corporations, the dues level corresponds to the annual revenue of the company. Companies filing separate tax returns are separate for membership purposes. Subsidiaries that do not file separate tax returns may not join separately from their parent company.
Multi-Role Discount

40% off role with highest dues, when joining in multiple roles

**Example: Large Public University**

<table>
<thead>
<tr>
<th>Roles</th>
<th>Participating Employees</th>
<th>Dues</th>
<th>w/ MR Discount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchaser</td>
<td>Facilities staff</td>
<td>$2,100</td>
<td>$1,260</td>
</tr>
<tr>
<td>Public Interest Advocate</td>
<td>Faculty, researchers</td>
<td>$1,250</td>
<td>$1,250</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$2,510</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Total Discount</strong></td>
<td></td>
<td><strong>25%</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Example: Medium Supplier Company**

<table>
<thead>
<tr>
<th>Roles</th>
<th>Participating Employees</th>
<th>Dues</th>
<th>w/ MR Discount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supplier</td>
<td>Product development staff</td>
<td>$4,000</td>
<td>$2,400</td>
</tr>
<tr>
<td>Purchaser</td>
<td>Procurement staff</td>
<td>$550</td>
<td>$550</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$2,950</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Total Discount</strong></td>
<td></td>
<td><strong>35%</strong></td>
<td></td>
</tr>
</tbody>
</table>
Benefits for Key Stakeholders

1. **SHAPE THE FUTURE**
   - **Purchasers**: Be at the forefront of the movement to transform the sustainability of our economy;
   - **Suppliers**: Be at the table to help develop guidance for products or services that you sell;
   - **Public Interest**: Help raise the standards used in trillions of dollars worth of purchasing decisions;

2. **REDUCE COSTS & RISKS**
   - **Purchasers**: enhance efficiency of staff; reduce need for consulting; share costs of training and supplier engagement; avoid mistakes
   - **Suppliers**: reduce costs associated with market confusion; harmonize data requests to address “survey fatigue”
   - **Public Interest**: reduce cost of promoting new science and best practices; lower risk that guidance and tools will be under-utilized

3. **INCREASE BUSINESS VALUE**
   - **Purchasers**: find improved solutions for end users; exceed mandates cost-effectively; receive recognition for leadership
   - **Suppliers**: align offerings to expressed market needs; align brand with Council’s sustainability leadership
   - **Public Interest**: improve outcomes by getting upstream of impacts; expand reach of existing efforts

4. **ACCESS PEOPLE & INFORMATION**
   - **Purchasers**: gain access to trustworthy, ready-to-use guidance;
   - **Suppliers**: gain insight into needs and expectations of leading large organizations; develop networks of peers and valued customers.
   - **Public Interest**: gain insight into procurement processes and challenges; develop relationships with potential partners.
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1. SPLC Introduction
2. Program Development Approach
3. Panel Discussion
4. Participation Logistics
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Questions

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