
GUIDELINES

TO

ENVIRONMENTALLY

PREFERABLE AND BIOBASED

PROCUREMENT

State of North Dakota

**These guidelines are a result of the cooperative efforts of the North Dakota
State Board of Higher Education and the Office of Management & Budget State
Procurement Office**

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Chapter 1: Program Information

1.1 PURPOSE OF PROGRAM

The State of North Dakota recognizes we are a large consumer of goods and services. Every one of our purchases has an environmental impact resulting from the combined effect of a product's manufacture, use and disposal. As a result, the daily purchasing decisions of our employees and contractors can positively or negatively affect the environment.

1.2 PURPOSE OF GUIDELINES

These guidelines establish the State of North Dakota Environmentally Preferable and Bio-based Procurement Program. By including environmental considerations in our purchasing decisions, along with our traditional concerns with price, performance, and availability, we will remain fiscally responsible while promoting practices that will reduce adverse environmental impact, reduce pollution, improve public health and safety, conserve natural resources, and increase the demand for bio-based products. If questions arise, contact the Office of Management and Budget State Procurement Office at 701-328-2740.

1.3 AUTHORITY

North Dakota Century Code § 54-44.4-07, Procurement of Environmentally Preferable Products, was enacted on July 1, 2008 (See Appendix 1). The Office of Management and Budget, institutions under the jurisdiction of the State Board of Higher Education, state agencies and institutions are encouraged to purchase environmentally preferable products. Where practicable, soybean-based ink should be specified for newsprint printing services and bio-based products should be specified. The Office of Management and Budget, in coordination with the State Board of Higher Education, has established these guidelines for an Environmentally Preferable and Bio-based Procurement Program.

1.4 MIDWESTERN GOVERNORS ASSOCIATION BIOPRODUCT PROCUREMENT RESOLUTION

In November 2007, Governor John Hoeven signed a Midwestern Governors Association resolution to establish a Midwestern Bio-product Procurement Program. North Dakota, along with eleven other Midwestern states and the Province of Manitoba agreed to jointly create a regional task force of state procurement officials and others to develop a Bio-based Product Procurement System. (See Appendix 2.)

In March 2008, the task force held its first meeting, and agreed to procure bio-based products that meet or exceed the guidelines of the Federal Bio-based Products Preferred Procurement Program (<http://www.biopreferred.gov>) that is administered by the U.S. Department of Agriculture (USDA). The task force may approve other bio-based products and establish contracts for cooperative procurement of bio-based products.

The Office of Management and Budget (OMB), State Procurement Office represents North Dakota on this regional task force.

1.5 DEFINING ENVIRONMENTALLY PREFERABLE AND BIO-BASED PURCHASING

Buying environmentally preferable products means the State of North Dakota will seek products that have a reduced effect on human health and the environment when compared with competing products serving the same purpose. In practice, this means seeking products that have reduced environmental impact because of the way they are made, used, transported, stored, packaged, and disposed of, including the potential for reuse or ability to be recycled. It means looking for products that do not harm human health, are less

polluting, minimize waste, maximize the use of bio-based and recycled materials, conserve energy and water, and reduce the consumption or disposal of hazardous materials.

A bio-based product is a commercial or industrial product (other than food or feed) that is comprised in whole or in part of biological products, renewable agricultural materials, or forestry materials. When determining whether a product is environmentally preferable, the following environmental attributes should be considered:

- Bio-based
- Biodegradable
- Carcinogen-free
- Chlorofluorocarbon (CFC)-free
- Compostable
- Durable
- Energy efficient
- Heavy metal free (e.g., no lead, mercury, cadmium)
- Less hazardous
- Location of manufacturing (carbon blueprint)
- Low volatile organic compound (VOC) content
- Low-toxicity
- Made from rapidly renewable materials
- Persistent, bio-accumulative toxic (PBT)-free
- Recyclable
- Recycled content
- Reduced greenhouse gas emissions
- Reduced packaging
- Refurbished
- Resource efficiency
- Reusable
- Upgradeable
- Water efficient

1.6 REVIEW OF THE PROGRAM

By August 1 of each new biennium, the OMB State Procurement Office, in coordination with the State Board of Higher Education, will undertake a comprehensive review of this program. The review will document the State of North Dakota's progress made in implementing the environmentally preferable and biobased purchasing program. The review shall also identify future procurement opportunities and recommendations for changes to the environmental and biobased procurement guidelines. Following this review, any needed revisions to these guidelines, program goals, and related resources will be published.

Chapter 2: Balancing Environmental Considerations with Performance, Availability and Financial Cost

The State of North Dakota is committed to buying more environmentally preferable and bio-based goods and services as long as they meet our performance needs and they are

available within a reasonable period of time at a reasonable cost. Nothing in this guideline shall be construed as requiring a purchaser or contractor to procure products that do not perform adequately for their intended use, exclude adequate competition, or are not available at a reasonable price or in a reasonable period of time.

When comparing cost, the State of North Dakota will not focus exclusively on the initial price. Instead, we will calculate and compare total costs over the life of the item, which includes the initial cost along with maintenance, operating, insurance, disposal, replacement, and potential liability costs. Examining life cycle costs will save money by ensuring we are quantifying the total cost of ownership before making purchasing decisions.

The State of North Dakota recognizes that competition exists not only in prices, but also in the technical competence of suppliers, in their ability to make timely deliveries, and in the quality and performance, including environmental performance, of their products and services. Balancing these sometimes competing factors means that initial cost is never the only consideration. It also means we will sometimes pay more for higher performing goods and services, including those with superior environmental performance.

Chapter 3: Environmentally Preferred and Bio-based specifications and Solicitation Language

3.1 PROVISIONS IN SPECIFICATIONS AND SOLICITATION

When establishing state term contracts, the OMB State Procurement Office shall ensure that wherever possible the specifications and solicitation language allow consideration of environmentally preferred and bio-based products offered as an alternative to traditional products with a negative environmental impact.

The OMB State Procurement Office, in coordination with the State Board of Higher Education, shall provide state agencies and institutions with information about environmental standards developed by independent, well-respected organizations that can be integrated into North Dakota's purchasing specifications, including:

- Bio-based Products designated by the U.S. Department of Agriculture, www.biopreferred.gov.
- Recycled content products designated by the U.S. Environmental Protection Agency (EPA), www.epa.gov/cpg.
- Energy-efficient products listed by the Energy Star program, www.energystar.gov.
- Products and services for which the Environmental Choice standards have been established, www.environmentalchoice.com.
- Products and services for which Green Seal standards have been established, www.greenseal.org.

The OMB State Procurement Office shall develop solicitation templates that facilitate consideration of environmental considerations during the evaluation process.

3.2 RESPONSIBILITY

Every state agency and institution is responsible for ensuring its employees and contractors are aware of the State of North Dakota's desire to buy more environmentally preferable and biobased goods and services. Contractors who do work on behalf of the State of North Dakota should be required to use environmentally preferable and biobased products to the extent practicable.

Every employee with authority to purchase on behalf of the state, including employees who have been issued state government credit cards, is responsible for considering the environmental impact of the products and services and specifying environmentally preferable and biobased products where practicable.

Appendix 1

North Dakota Century Code

54-44.4-07. Procurement of environmentally preferable products.

1. The office of management and budget, the institutions of higher education, and any other state agency or institution that has authority to purchase products are encouraged to purchase environmentally preferable products.

a. Where practicable, specifications for purchasing newsprint printing services should specify the use of soybean-based ink. The North Dakota soybean council and the agriculture commissioner shall assist the office of management and budget in locating suppliers of soybean-based inks and in collecting data on the purchase of soybean-based inks.

b. In requesting bids for paper products, the office of management and budget must request information on the recycled content of such products.

c. Where practicable, biobased products should be specified.

2. The office of management and budget, in coordination with the state board of higher education, shall develop guidelines for a biobased procurement program.

Appendix 2

Resolution for Establishing a Midwestern Bio-product Procurement Program,

Energy Security and Climate Stewardship Platform for the Midwest Region of the United States and Canada, pg, 28, Midwestern Governors Association 2007.

WHEREAS, bio-based products are an important aspect of the profitability of bio-refineries, create new domestic demand for agricultural commodities, expand the industrial base through value-added agricultural processing and manufacturing, and enhance the nation's energy security by substituting domestically produced bio-based products for those made from fossil energy inputs; and

WHEREAS, the U.S. departments of Agriculture and Energy, following authorization in the 2002 Farm Security and Rural Investment Act, have created a system called the FB4P program under which federal agencies must purchase designated bio-based products that are available and cost-competitive with fossil-based equivalents; and

WHEREAS, the U.S. departments of Agriculture and Energy have already contracted with Iowa State University to conduct life cycle testing on a list of products and has conducted a series of rule-makings to designate products "bio-based"; and

WHEREAS, at least two Midwestern states, Illinois and North Dakota, have adopted bio-based product procurement laws;

NOW, THEREFORE, BE IT:

RESOLVED, that the states of Indiana, Iowa, Kansas, Michigan, Minnesota, Nebraska, North Dakota, Ohio, South Dakota and Wisconsin and province of Manitoba jointly establish a Midwestern Bio-based Product Procurement System (hereafter System) to support growth of the region's bio-economy; and be it

RESOLVED, that the System should create a common approach to listing bio-based products consistent with the federal program, with System members adopting products based on their own procurement rules; and be it

RESOLVED, that System members agree to seek authorizing legislation, where necessary, to enable participation in the System; and be it

RESOLVED, that System members agree to form a regional task force of state procurement officials and others to design the rules of a regional bio-based product system and make other recommendations as necessary to establish the System; and be it

RESOLVED, that the governors and premier, through the MGA, will appoint a regional task force of state procurement officials that shall work with the public and private sectors to oversee and implement the System and to develop and recommend to the governors and premier, no later than June 1, 2008, model rules for the System.

DONE, this 15th day of November, 2007, in Milwaukee, Wisconsin.

Appendix 3

ACKNOWLEDGMENT

We wish to acknowledge Scot Case, Director of Procurement Strategies, Center for a New American Dream for allowing us to adapt language from Environmental Purchasing Policies 101, An Overview of Current Environmentally Preferable Purchasing Policies for the Commission for Environmental Cooperation and the North American Green Purchasing Initiative; March 25, 2004.