Sandia National Laboratories

Buyers and Technical Staff: Coordinating Green Purchasing for Construction Activities

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Sandia is a multiprogram laboratory operated by Sandia Corporation, a Lockheed Martin Company, for the United States Department of Energy's National Nuclear Security Administration under contract DE-AC04-94AL85000.

Sandia National Laboratories (SNL)

- Owned by the Department of Energy (DOE).
- Designs non-nuclear components for nuclear weapons, performs energy research and develops projects to address national security
- Employs 7,400 full-time people and over 2000 sub-contract employees.
- Approximately $100 million per year construction activities (2003-4.)

Construction Procurement Framework

- Purchasing is centralized
- All new construction is done via outside subcontractors.
- Majority of contracts are awarded on best-value basis
- Contracts are design/build, design/bid/build, and time and material.

Barriers to a Successful Green Procurement Program

- "Cross-assignment" of responsibilities
- Different organizations, different goals
- Construction specifications
- Legal-It's a political thing

Barrier: Assignment of Responsibilities

- Most DOE facilities assign implementation of Affirmative Procurement programs to Pollution Prevention staff even though its is a Procurement function.
- SNL's contract with DOE mandates that the Pollution Prevention (P2) organization develop, implement and track the success of a green purchasing program. No contractual requirements for Procurement.
- P2 is evaluated on its progress toward these contractual goals every quarter but Procurement isn't.

Solution: Find a Procurement Champion

- Market green procurement as corporate goal
- Grass roots support good, mid-level management better
- Reward successes

Barrier: Different Organizations, Different Goals

The players:

Pollution Prevention
Construction Procurement
Legal
Construction Project Managers
Construction Inspectors
Business Office
Construction Contractors

Different Goals

- Pollution Prevention-Meet corporate level federal requirements to achieve and maintain environmental excellence
- Procurement-To spend the tax payer's money wisely and to get what's needed at a reasonable price in a timely manner
- Legal-To ensure the company meets legal requirements without undue constraints on contractors

Different Goals

- Project Managers-Get the building built on budget, on time within customer's guidelines
- Construction Inspectors- To ensure specifications for construction are met
- Business Office-To ensure contractual requirements are met before issuing payment
- Suppliers-Make a profit and satisfy customer for return business

Solution: Consensus Building

- Provided Training: What is affirmative procurement and why is it required
- Facilitated Meetings: Identified everyone's goals and how they could best be met.
- Patience
- Persistence

Barrier: Construction Specifications

- SNL Construction Specifications tell the contractor the type and quality of material to buy.
- There were no requirements in the specs for recycled content material
- The process to change one spec can take from one month to a year
- Project Managers and Construction Inspectors were concerned that requiring contractors to purchase material with recycled content would conflict with specs.

Solution: Two Phased Approach

- Specs are in the process of being revised
- After revisions, contractors must purchase recycled content material
- We agreed that a contractual requirement for reporting would be appropriate
- We would also encourage them to purchase recycled content material

Next Step: Contract Language

- Proposed contract Language
- Created Simple, Web-based Form
- Proposed delay of payment

Solution: Contract Language

Clause Title - Purchase of Materials with Recycled Content

Per DEAR 970.5204-39 "Acquisition and Use of Environmentally Preferable Products and Services", Contractor shall prepare and submit an Affirmative Procurement Report (incorporated by Reference) every three (3) months with the invoice. For contracts that are less than three (3) months in length submit the Report with the final invoice. **Failure to submit an Affirmative Procurement Report will result in a delay of payment.** Please note that this report requires reporting on materials purchased by subcontractors as well as the Offeror.

Barrier: Legal

It's a Political Thing

- Our legal counsel was concerned that it would appear that we were requiring additional work from our contractors without adequate compensation. They also did not want the contract language to appear punitive.
- Refused to approve contractual requirements for reporting

Solution: Luck

Stroke of luck: New Legal Advisor

- Language automatically added to the Request for Price (RFP) and to the template for all construction contracts
- Web link to form
- Because form is easy, we met Legal's concern to add no additional burden to our contractors

Success

- DOE Pollution Prevention Award for Best in Class Affirmative Procurement
- Team members received personal recognition from a high level DOE official as well as the SNL President
- White House Closing the Circle Award, 2003