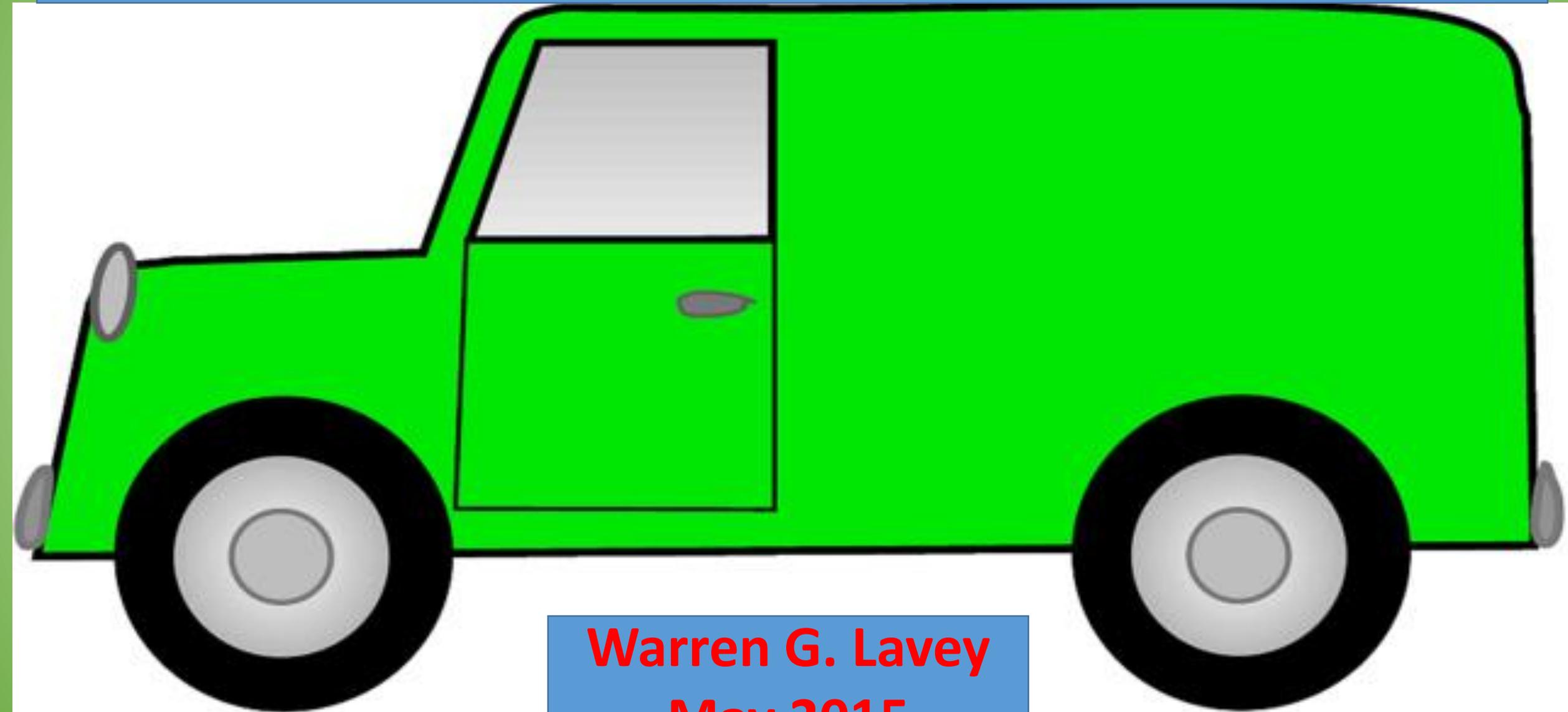


Best Value: Cleaner Transportation Services



Warren G. Lavey
May 2015



FSSI Domestic Delivery Services

A Federal Strategic Sourcing Initiative

2013 RFP, 2014 contract

- 15 agencies on acquisition team; more participants
- 1 base year plus 2 annual options
- Over \$200 million annually
- Master Task Orders to UPS, FedEx



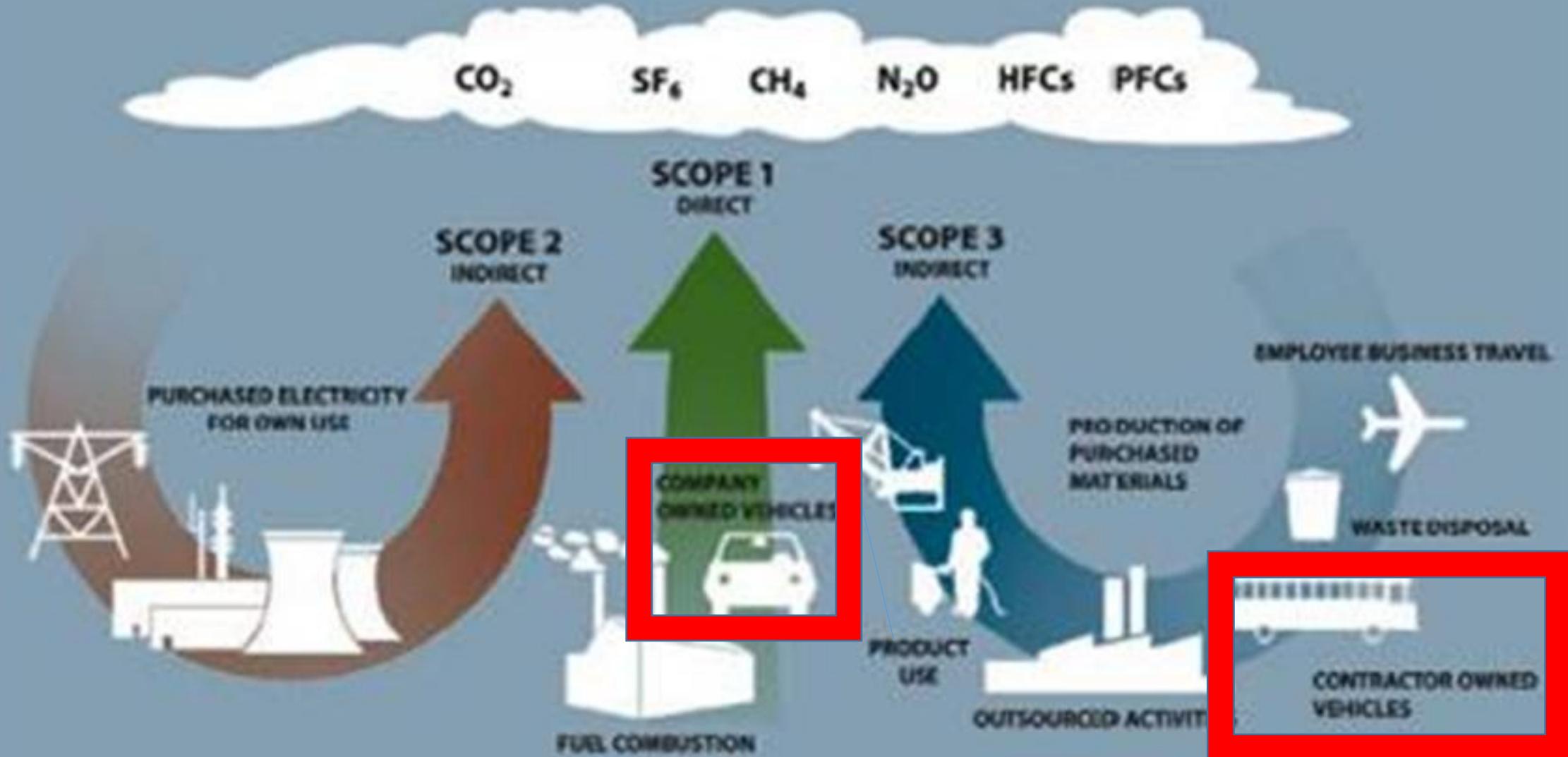
Executive Order 13514 (2009)

Lead by Example in Energy and Environment

- Agency fleets
 - GHG and petroleum reduction targets
 - Sustainability performance plans
 - Annual reporting
 - OMB scorecard
- Supply chain GHGs
 - **Pursue opportunities** with vendors to reduce
 - Specifies delivery services

Executive Order 13514

Federal Leadership in Environmental, Energy, and Economic Performance



EO 13514 Framework Spurs Progress in Agency Fleets

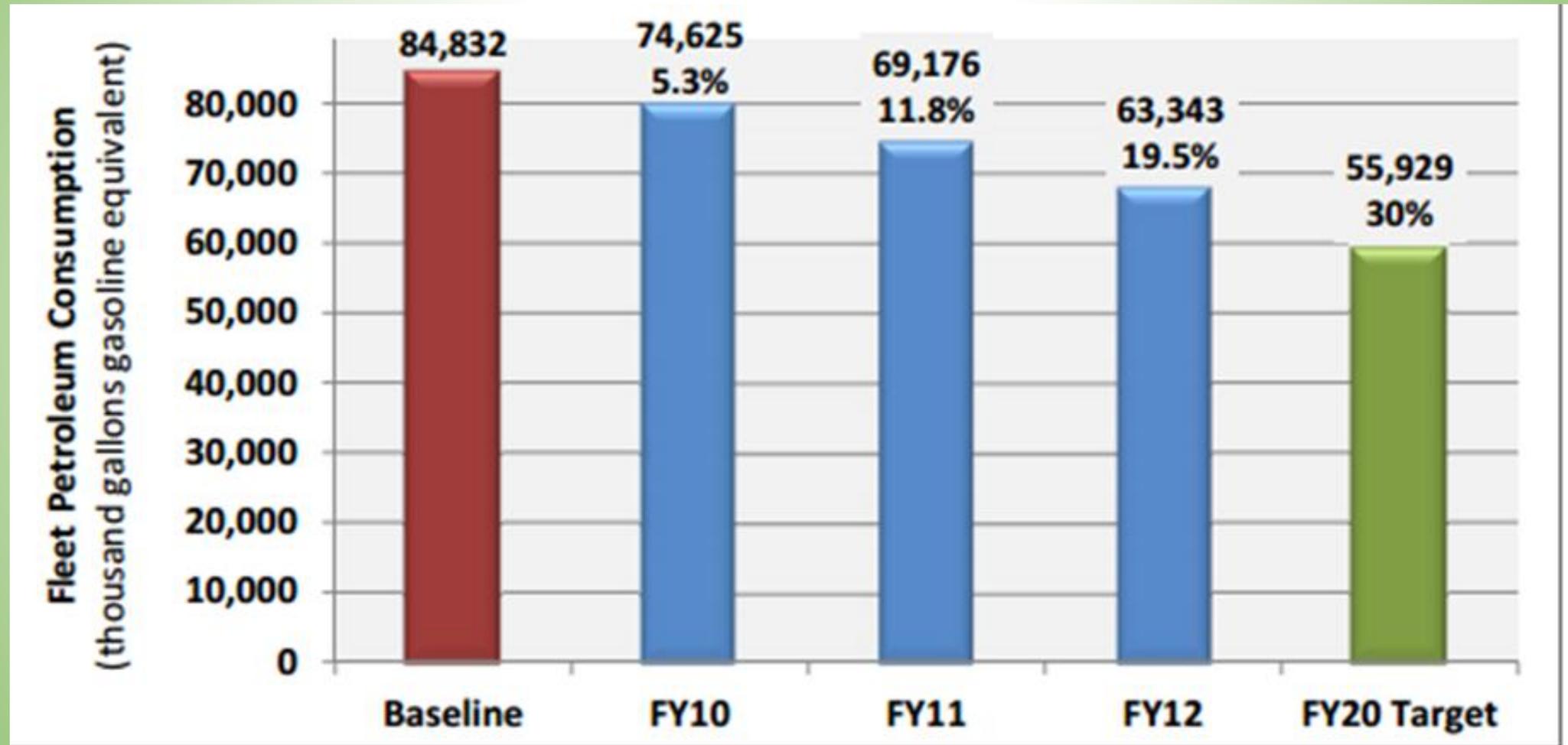
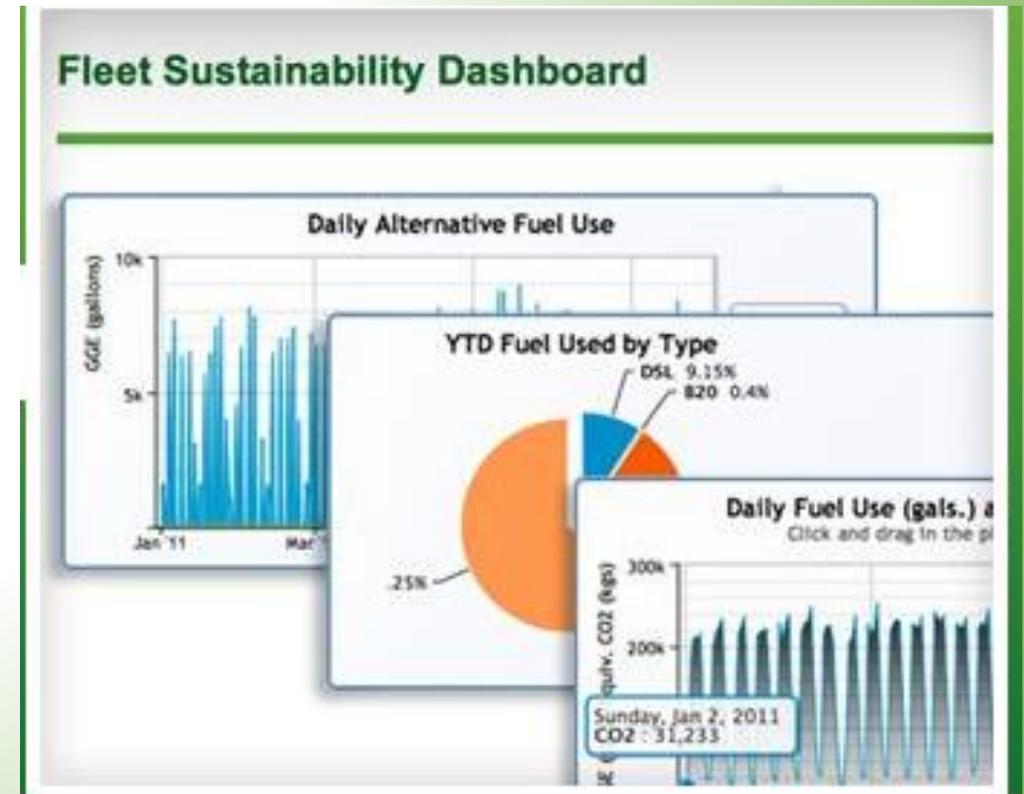


Figure 5. DoD Non-Tactical Vehicle Fleet Petroleum Consumption Since the FY 2005 Base Year

Some Highlights of 2013 Federal Fleet Report

- Vehicles
 - 635,748 vehicles traveling 4.8 billion miles
 - 55% gas, 13% diesel, 28% E85
 - 111,859 medium- and heavy-duty trucks (average about 6,700 miles)
- Fuel
 - 383,257,400 gasoline gallon equivalents
 - **\$1.33 billion**
 - **94% gas and diesel, 5% ethanol/E85**



Background for DDS3 Environmental Provisions

- Agencies don't obtain info on contractors' emissions, fuel use
- No provisions in DDS1 (2006), DDS2 (2010)
- Some GSA solicitations encouraged SmartWay
 - Not requirement or evaluation weight
 - 2011 & 2012 for W. and E. Distribution Centers

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Behind
Corporate
Best
Practices



Approximately 90% of federal agencies' carbon footprint lies in the products and services they purchase.



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Harm to the environment, including GHGs, has quantifiable costs and negative impacts on the economy and federal agency operations.

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- Bidders must report GHG emissions for deliveries **by agency annually**

DDS3 Evaluation



Monetizing impacts of bidders' carbon emissions

- Bidders estimated emissions for representative set of deliveries
- Evaluation applied “social cost of carbon” (\$37/ton)
- **Evaluation considered bidders' carbon impact along with price and past performance**



DDS3 Contract Performance

- Environmental factors in annual performance management reviews
 - Track contractors' alternative fuel and vehicle use against goals for continual improvement
- Annual reports to each agency on GHG emissions from deliveries
 - Allows agencies to begin managing and reporting GHG emissions in their supply chain



Subsequent Developments

Other fed
contracts?

- **DoD** failed to include environmental provisions in Total Delivery Services RFP/contracts (2014)

States?

- **State of Illinois** RFP/contract for delivery services (2014)
 - Illinois Transportation Sustainability Procurement Program Act (2013)
 - 20% of evaluation points for emissions, energy use, fuels
 - Maintain/improve SmartWay Performance Rank

Executive Order 13693 (March 2015)

Planning for Federal Sustainability in the Next Decade

- Agencies shall, where life-cycle cost effective, promote sustainable acquisitions by including to the maximum extent practicable ... **SmartWay** Transport partners and **SmartWay** products (fuel efficient products and services)
- Seven largest procuring agencies shall annually implement at least five new procurements annually with evaluation and performance requirements considering contractor emissions
- Revoked EO 13514



Sustainable Purchasing of Transportation Services