

Biobased Product Procurement Preference Program Primer

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Background

- See USDA memo to CAO Council dated May 23, 2005 for summary of statutory and regulatory requirements (copy attached).
Clarification: definition of biobased products is located in Section 9001 of Farm Security and Rural Investment Act (FSRIA) of 2002
- Applicable to “a procurement item where the purchase price exceeds \$10,000 or where the quantity of such items or of functionally equivalent items purchased... in the course of the preceding fiscal year was \$10,000 or more.”
- Agencies shall give preference to items composed of the highest percentage of biobased products practicable consistent with maintaining a satisfactory level of competition consistent with such [USDA] guidelines.

Another Preference Program. Why?

- Increased procurement of biobased products offers the promise of:
 - New investment, job formation, and income generation in Rural America
 - Environmental benefits due to substitution of biobased products for items made for less environmentally responsible items
 - Increased demand for many domestic agricultural commodities to serve as feed stocks
 - Reduced reliance on foreign-supplied energy

What is Required?

- Within 1 year after the publication of the guidelines (January 11, 2006), each Federal agency shall develop a procurement program that includes:
 - A designated biobased products procurement preference program
 - An agency promotion program
 - Annual review and monitoring of the effectiveness of the program

What is USDA Doing?

- USDA's Office of the Chief Economist (OCE) leads the biobased product designation, testing, and labeling program
- OCE has identified 83 "items" (groupings of biobased products)
- Proposed rule published 7/5/05 designating urethane roof coatings, diesel fuel additives, and bedding linens and towels.

What is USDA Doing?

- Additional examples of products include: packing materials, hydraulic fluids, molded composites, specialty inks, etc.
- Final “guidelines” rule requires USDA to develop a model biobased procurement preference program – task assigned to USDA’s Office of Procurement and Property Management

What is USDA Doing?

- Materials USDA develops for its model program will be shared with other agencies for their use
- The USDA model includes, but is not limited to:
 - Web based awareness training
 - Internal policies (incl. governance structure)
 - SOW language
 - Tabletop awareness display
 - Demonstration projects
 - Award program
 - Services eligible for inclusion of biobased requirements (custodial, landscaping, construction, food services, vehicle maintenance, etc.)
 - Biobased “aisle” in USDA Advantage! virtual store (in partnership w/GSA)

What about MILSPECs, FEDSPECs, etc?

- OFPP is required to report to Congress, every 2 years beginning in 2003, on actions taken by all Federal agencies to comply with FSRIA Section 9002, including those that have responsibility for drafting or reviewing specifications for procurement items by Federal agencies to assure that such specification require the use of biobased products....
- USDA specifies the timeframe for specification revision in consultation w/cognizant agency

Other Issues/Concerns

- USDA working with OFPP, OFEE, GSA, etc. on FAR Case (2004-32)
- Anticipate significant percentage of biobased purchases will be made by contractors
- Tracking/reporting on purchases remains a challenge – working with GSA/FPDC and GSA Systems Management Center

For Further Information

- See the USDA OCE website:
www.biobased.oce.usda.gov
- Contact: Mike Green at
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