



PEPSICO

TO: Administrator Denett
Office of Federal Procurement Policy
Office of Management and Budget, Room 9013
725 17th Street, NW
Washington, DC 20503

FROM: Robert Schasel
Director, Energy & Utilities Resource Conservation
PepsiCo

RE: **Proposed OFPP Policy Letter**

DATE: January 30, 2007

Thank you for the opportunity to comment on the “Proposed policy letter on the acquisition of green products and services” published in the Federal Register on 12/28/2007. As a company firmly committed to environmental sustainability, PepsiCo lauds the efforts on the part of the government to support and advance preferential purchasing for green products and services.

This policy letter is a valuable clarification of earlier policies and Executive Orders (i.e., E.O. 13423) supporting green purchasing. However, we believe that with further clarification of some points, procurement personnel, as well as sales personnel, would be likely to think more broadly in terms of qualifying products. This in turn, would support the proliferation of resource conserving and environmentally sustainable activities within industry.

Specifically, we recommend that in determining whether a product is environmentally preferable, the Federal government should consider a broad range of sustainability parameters including water and energy efficiency as well as greenhouse gas and solid waste reductions associated with the product or service. In addition, when looking at comparable products and services, the procurement or contracting specialist should consider not only absolute efficiencies and reductions, but also improvements in these that are associated with a company’s long-term commitment to sustainability. This incentivizes and rewards companies progressing on the journey in addition to those who are already there with some of their products.

Second, we recommend that EPA’s Climate Leaders program, where membership in the program and reductions in greenhouse gas emissions have been demonstrated, should be added to the list of programs, such as Energy Star, taken into consideration when making preferential purchasing decisions.

Specific Recommendations are in italics below:

1. To the list of products identified through green opportunities as listed in section entitled “Supplementary Information” – add “*member of Climate Leaders with demonstrated ghg reductions.*” Give greater clarification to “water-efficient products” either here or later on within policy letter itself.
2. Within text of policy letter:
 - 1) Paragraph 1 – “use and disposition of green products...not limited to:” recommend a direct referral to “*Climate Leaders program and those products manufactured through processes showing demonstrable reductions in greenhouse gases.*”
 - 2) Paragraph 5 – definitions – add “*member of Climate Leaders with demonstrated significant reductions in ghg emissions.*”

Definitions – After the first sentence in the definition of “Environmentally preferable” add “*There are many ways to measure environmental preferability. One can look at environmental attributes such as water and energy efficiency as well as greenhouse gas and solid waste reductions. One can also look at a corporation’s performance over time that demonstrates its commitment to environmental sustainability. All of these should be considered when selecting a product or service.*”

Add clarification wherever “product or material” is stated to include “*or whose manufacturing process has shown a significant and quantifiable reduction in energy and/or water resources used over a quantified baseline or the base product.* For example, under definition of “water efficient product or service means a product or service that *either by itself or during its manufacturing process* uses less water than competing products or services that serve the same purpose, including those meeting EPA’s WaterSense standards *or demonstrating significant and quantifiable reductions in water use over the base product*” (italics – recommended language additions.)

- 3) Paragraph 8(A)1(c) - “Energy Star (reg), FEMP-designated, *Climate Leaders membership and demonstrated progress*, and those...”
- 4) Paragraph 8(A)1(j) – “water efficient products, including those meeting EPA’s “WaterSense” standards *and/or those whose*

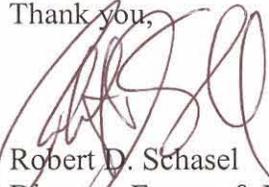
production has become increasingly water use efficient as demonstrated by data collected over a period of time.

- 5) Paragraph 8(A)2(d) – “Maximization of energy and resource recovery in solid waste management *including the amount of recyclability of the waste remaining once the product has been fully used or consumed.*”
- 6) Paragraph 8(F)6 – This paragraph is good. Recommend adding the following: “Meeting and conference services: Agencies shall,...contract for meeting and conference services...energy and water efficient facilities *and/or processes, linen/towel...*”

Once again, thank you for the opportunity to comment on your proposed policy. We heartily applaud the move the government is making towards increased environmental sustainability and the influence it is having on supportive industries by working back into the supply chain.

Should you have any further questions regarding our comments, please contact me via e-mail robert.schasel@pepsi.com or via phone at 972-334-5567.

Thank you,



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