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GSA Urged To Spur Alternative Fuel Vehicles In \$1.5 Billion Contract for Deliveries

Washington D.C. -- An upcoming five-year government-wide contract for package delivery services is a prime opportunity for the Obama Administration to make good on commitments to reduce America's oil dependence and cut greenhouse gas emissions related to contract transportation services, said the American Clean Skies Foundation (ACSF), a Washington, D.C. non-profit group.

In a June 24 letter to the General Services Administration (GSA), ACSF urged Acting Administrator, Daniel M. Tangherlini, to require the overnight delivery vendor that wins the government's new business -- which could be worth over \$1.5 billion from 2014 to 2018 -- to meet annual targets for reducing emissions, cutting petroleum and increasing the use of alternative fuel vehicles. ACSF also suggested that GSA consider providing contract incentives based on the vendor's environmental performance.

"The leading overnight delivery services -- UPS and FedEx -- have both begun to integrate alternative fuel vehicles into their fleets," said Gregory C. Staple, the Foundation's CEO. "However, as a major customer, we think the federal government can encourage a more rapid expansion of these electric and natural gas vehicles while cutting spending at the same time."

Staple noted that, at a June 10 Washington workshop hosted by ACSF, several Fortune 500 companies, including PepsiCo Frito-Lay, Owens Corning and Procter & Gamble, briefed GSA and 12 other federal agencies on the savings they expected from contracting with trucking services that used fleets powered by alternative fuel vehicles.

The GSA solicitation addressed by ACSF is the third generation contract, known as Domestic Delivery Service or DDS3, for express and ground shipping of an estimated 15 million to 35 million packages annually from federal agencies. FedEx won the first such contract, and UPS was awarded the current DDS2 contract in 2009, which expires in September 2014. GSA is expected to advertise the DDS3 opportunity later this summer.

ACSF said that its proposed contract terms are supported by President Obama's executive orders on emission and petroleum reduction, especially Executive Order 13514 on Federal Leadership in Environmental, Energy and Economic Performance. That order, issued in 2009, requires every agency to adopt a sustainability plan with annual performance targets for reduced emission and petroleum use, and to ensure that their vendors are energy efficient and environmentally preferable.

The Foundation noted that GSA also adopted a Green Purchasing Plan in 2009 that requires the agency to consider, to the maximum extent practicable, a preference for environmentally sustainable products or services.

The GSA transportation contract was identified as part of ACSF's ongoing effort to implement the Foundation's landmark 2012 report on energy security and the environment. That report --- "Oil Shift: The Case For Shifting Federal Transportation Spending To Alternative Fuel Vehicles" --- explains how the government can point its \$150 billion dollar annual spend on transportation services to advance fiscal, defense and environmental objectives.

ACSF said that, in addition to DDS3, forthcoming transportation contracts by the Defense Logistics Agency and the US Postal Service may also offer large opportunities for reducing petroleum use and unwanted emissions.

Details of Request

The ACSF letter asks GSA to include the following four elements in the DDS3 procurement:

1. Establish a preference for vendor commitments on fuel efficiency, emissions, and alternative fuels in year one of the contract and in each of the potential four years of the renewal term;
2. Set targets for each year of the contract for reduced emissions, lower petroleum use, and increased use of alternative fuels (at least 2 percent annual emission and petroleum reductions are proposed based on past industry performance);
3. Require annual reporting by the vendor of relevant environmental and fuel measures; and
4. State a preference (or renewal expectancy) in deciding on annual contract extensions based on the vendor's performance against its commitments and the targets, and offer contract incentives for superior environmental performance.

ACSF's letter and a related background memo are posted here:

<http://www.cleanskies.org/oilshift/DDS3-contract>

About the American Clean Skies Foundation

Established in 2007, ACSF seeks to advance America's energy independence and a cleaner, low-carbon environment through expanded use of natural gas, renewables, and efficiency. The Foundation is a not-for-profit organization.