



# The Sounding Board:

*In each issue, PSC asks members of our board of directors to offer their perspectives on key challenges facing the government services industry.*

# Green Market OPPORTUNITIES

**Question:** *What do you see as the primary market opportunities and challenges associated with the federal government's efforts to stress "green initiatives" across its missions?*



**David Rosenblum,  
President, CH2MHill**

On October 5, 2009, President Barack Obama signed Executive Order (EO) 13514, on "Federal Leadership in Environmental, Energy, and

Economic Performance," which outlines the federal government's implementation of sustainable practices, most notably in the area of greenhouse gas (GHG) emissions. Other areas of focus include Environmental Management Systems (EMS), energy and fuel consumption, water consumption, sustainable acquisition, regional and local integrated planning, sustainable buildings, pollution prevention, sustainable acquisition, sustainable communities/livability, minimizing the environmental footprint of activities, and green remediation. This EO expands upon Executive Order 13423, "Strengthening Federal Environmental, Energy and Transportation Management." We expect to find numerous market opportunities from new and existing federal customers as this EO is implemented over the next 12 months by federal agencies and their contractors.

Federal agencies are required to meet a series of deadlines critical to achieving the GHG reduction goals of the EO:

- By November 5, 2009, each agency submitted the name of their Senior Sustainability Officer (SSO) to the CEQ Chair and OMB Director;
- On January 4, 2010, a percentage reduction target for agency-wide reductions of scope 1 and Scope 2 GHG emissions in absolute terms by

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**Stanton Sloane,  
President and CEO,  
SRA International**

Money and legislative muscle are beginning to transform "green government" from a catch phrase into a federal imperative. The

force of laws, presidential directives and economic recovery dollars are converging, and government agencies are starting to respond with more environmentally sensitive practices. The Departments of Energy and Defense, as well as the General Services Administration, have already deployed billions of dollars authorized by the American Recovery and Reinvestment Act to fund green initiatives that improve the energy efficiency of buildings and vehicle fleets, expand the use of clean and renewable energy, and reduce the carbon footprint of agency operations. While we are in the early stages of these efforts, they are picking up momentum.

To ensure continued progress, the government must put into place not only the regulatory framework and the financial incentives, but also the metrics by which we will all measure improvement. We will also need some enablers to help keep the initiatives on track. Here are some recommendations:

**1. Grab a good yardstick.** You can't manage what you don't measure. Whether counting kilowatt hours, measuring greenhouse gas emissions, or conserving and protecting water resources, an organization must establish a baseline of energy and resource usage, then assess the efficiency and cost effectiveness of green solutions. Tracking the cost of

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**Isiah Harris,  
President,  
AMERITAC, INC.**

Even as a smaller firm, AMERITAC has been helping federal agencies expand their requirements and maximize their

funding commitments relating to "green technology." Based on AMERITAC's experience and focus, we've identified two primary market segments that provide opportunities for Environmentally Preferable Products (EPP) and services: Renewable Energy Programs and Energy Efficiency Programs.

Within these market segments, AMERITAC focuses on providing innovative, emerging technology, energy efficiency solutions that deliver a substantial direct fuel cost reduction for operating hot water boilers. Our boiler firing optimization technology delivers more efficient firing protocols for boilers in operation, resulting in fuel cost savings with a compressed return on investment and reduced greenhouse gas emissions. Another EPP is a polycarbonate product that offers significant protection and cost savings in the cleaning and sealing of any kind of marble, granite, stone and concrete surfaces.

We've learned that there are several very unique opportunities that can be leveraged in penetrating this green market that may work across a variety of sectors and a range of products and services. This opportunity horizon includes collaboration, validation and influence with local utilities in specific geographic markets as well as with local, regional and state governments

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environmental measures compared with their benefits and choosing the most effective solutions will become particularly important as recovery funding winds down and agencies must manage within budget limitations.

**2. Tear down the silos.** The federal government has tremendous leverage in its ability to acquire sustainable technologies, environmentally preferable products and services, and employee training in green operations. Using this leverage to the broadest extent possible throughout—and even across—departments and agencies has two enormous benefits; it introduces green operations across a wider swath of the federal enterprise and it brings economies of scale to purchasing environmentally sound products and services.

However, the government may need outside assistance in developing and revising plans for sustainability strategies that harmonize across department lines. Procurement, finance, facilities, human capital and information technology (IT) must be aligned to work together

for success. Many agencies do not have the depth and breadth of technical understanding to acquire green services. Interdepartmental teams that focus on cross-pollinating green initiatives could help break through organizational barriers. Federal departments and agencies are increasingly realizing that supply chains—from sources to delivered government services—are important elements of both military and civilian green initiatives.

**3. Let IT take the lead in going green.**

Information technology currently presents one of the greatest challenges to, and the best opportunities for, creating a federal culture of green government. By next year, the federal government's energy bill for servers and data centers alone will have reached \$740 million. Every dollar spent on servers will require 70 cents for power and cooling. By 2012, energy costs will consume 40 percent of an enterprise's technology budget. Applications of IT will also play a key role in green initiatives. For example, pervasive federal smart metering solutions will use meter data to

optimize energy, gas, water and other resource consumption. IT is also the central enabler to accomplish other initiatives like increasing telework for a more sustainable environment.

A federal agency that takes these steps—measures energy and resource consumption, evaluates measurement data, undertakes strategic planning across organizational lines and leverages acquisition muscle—has a better chance of transforming the IT energy challenge into a major opportunity for conservation and green operations. Partnering with vendors that have a proven record for practical and cost-effective implementation of green strategies can help.

“Green” will flourish if agencies get down to basics and stretch across operational boundaries to put systems in place that nourish a government-wide approach for environmentally sound operations.

*Dr. Stanton Sloane is President and CEO of SRA International, which serves the national security, civil government and global health markets.*



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