

# Environmentally Preferable Procurement Guidelines for Information Technology (IT) Equipment in Health Care

## Part IV: Recommendations for the Bid Development Process

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This fact sheet is an accompaniment to Health Care Without Harm and the Computer Take Back Campaign's fact sheets on procuring environmentally sound electronic equipment.<sup>1</sup> This document serves as a guide to evaluating bids and proposals while incorporating environmental and public health criteria. This fact sheet should be read together with Part V: Sample Procurement Evaluation Tool.

### Stakeholder Involvement

For the environmentally preferable portion of the IT purchase to be a success, it is important to have key stakeholders involved in the decision-making to "green" the IT purchase from the beginning. Key stakeholders should include:

- Purchasing/Material Management staff
- IT managers, Chief Information Officer
- Risk managers/HIPAA<sup>2</sup> specialists
- Hazardous waste, solid waste managers or recycling coordinators
- Safety officers/environmental health and safety staff
- Healthcare professionals concerned with environmental protection

The lead person/s on this team should ideally be involved in both the purchasing and administration phase, and should interface with IT, Procurement, Environmental Services and other impacted stakeholders. During review of vendor proposals or bids, the evaluation team should scrutinize the claims made by vendors in response to the environmental criteria. The stakeholder/s should take part in monitoring contract compliance to ensure the vendor is complying with its terms and that all take-back terms are being met.

## Using Part V: Sample Procurement Evaluation Tool

### Weight

Part V is an Excel spreadsheet that lists all the criteria from Part II: Procurement Matrix for Original Equipment Manufacturers and Vendors and includes suggested weighting for the criteria so that bid responses can be ranked. Different items in the matrix are weighted differently due to their relative importance.

The weight is the maximum number of points a bidder can receive for meeting a particular criteria. Bidders who meet the criteria fully can receive the maximum number of points. Bidders who meet it partially could receive less than the full number of points, and bidders who do not meet criteria should receive zero points for that item.

### Required Criteria

Note that certain criteria on the matrix are marked "required." Vendors who are non-responsive to the "required" criteria should be eliminated as non-responsive for failure to provide required information. The required criteria are also assigned suggested weights in the sample Matrix to illustrate their relative importance. The suggested weights can be used should the purchaser decide not to "require" these criteria or if the purchaser wants to rank the bidders based on the quality of their response to required items.

### Weighting Environmental Criteria Relative to Non-Environmental Criteria

Part V includes only the environmental and health criteria that would be taken into account when evaluating a bid response. Other criteria, such as purchase price, product performance requirements, and corporate references are also

normally considered by purchasers.

It is suggested that end-of-life management be combined with the purchase price evaluation into the category of total cost of ownership, and that end-of-life management comprises 30% of the total cost of ownership evaluation, and that total cost of ownership comprises 50% of the overall evaluation. The logic for giving end-of-life (EOL) services a significant portion of the overall cost ranking is that EOL services can cost up to 30%<sup>3</sup> of the purchase price of a desktop unit. In addition, improper EOL services represent a potential twofold risk to the organization: liability and public relations. A vendor's compliance with these criteria will result in reduced risk for the organization, and will help drive the market for affordable EOL services that are environmentally preferable.

It is also suggested that Upgradeability, Design for the Environment and Public Health, Manufacturing, and Energy Efficiency (as represented in Principles 2 through 5) comprise 10% of the final evaluation.

The tables below illustrate examples of how the final evaluation might weigh all the different components described in Part V Sample Procurement Evaluation Tool.

## Prioritizing Environmental Criteria

### End-of-Life Management is the Most Important

If you feel the hospital does not currently have the resources or staff that would be required to adequately vet and monitor compliance with all of the listed criteria, and you wish to reduce the criteria you apply, end-of-life take-back provisions (included in Principle 1 Criteria A to I of Part V Sample Procurement Evaluation Tool) are probably the most significant element to retain.

### Sample Weighting Of End-Of-Life Management With Purchase Price

Principle in Section V	Criteria for Procurement	Weight Assigned
	Purchase Price	35
1	End-Of-Life (30% of purchase cost)	15
	<b>Total Cost of Ownership</b>	<b>50</b>

### Sample Weighting Of Environmental Concerns With Other Procurement Criteria

Principle in Section V	Criteria for Procurement	Weight Assigned
2	Upgradeability	1
3	Design for the Environment & Public Health	6
4	Manufacturing	1
5	Energy Efficiency	2
	All other procurement criteria (corporate references, performance evaluation, continuity of components)	40
	<b>Total weight assigned</b>	<b>50</b>
	<b>Total possible weights</b>	<b>100</b>

Environmentally sound take-back provisions can achieve several key goals for a healthcare facility and the larger community:

- Ensure proper collection and handling of equipment at end-of-life, thus reducing the cost and complexity of establishing such programs after the purchase;
- Reduce risk of violation of environmental or privacy information laws;
- Make manufacturers or wholesalers responsible for handling potentially hazardous content at end-of-life, creating an incentive to reduce such content;
- Provide an increasing supply of materials for resale, reuse and recycling, thus contributing to

increased incorporation of recycled materials into new equipment.

### WEEE and RoHS are Easy to Evaluate

Similarly, if you feel hospital staff time is not adequate to fully monitor elimination or reduction of toxic substances and inclusion of recycled content in electronics, you may wish to simply require vendors to demonstrate compliance with the European Union's (EU) *Waste Electric and Electronic Equipment (WEEE)* and *Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment (RoHS)* Directives<sup>4</sup>, in addition to end-of-life take-back (items 3A, 3B, and 3D in Part V). These Directives, which take

full effect in 2006, require use of recycled content in electronic equipment, and the elimination of six toxic substances from electronic products. Since the criteria will be mandatory by EU law, manufacturers should be able to easily demonstrate compliance (or a plan for compliance, if the purchase precedes 2006) by posting this information on the company's website. In addition, requiring compliance with these directives helps ensure that manufacturers will reduce toxic substances and recycle equipment in the US as well as in the EU.

Please keep us informed about your progress in this work by emailing us at [svtc@svtc.org](mailto:svtc@svtc.org).

## Endnotes

1. Please refer to Health Care Without Harm and the Computer Take Back Campaign's Procurement Guidelines available at [www.hcwh.org/goinggreen](http://www.hcwh.org/goinggreen) on which this document is based.
2. To better understand end-of-life management issues for electronic assets in healthcare facilities, including the Health Insurance Portability and Accountability Act (HIPAA), please refer to Hospitals for a Healthy Environment's *Healthier Choices for Electronic Equipment: From Procurement to End-of-Life* <http://www.hcwh.org/goinggreen>. Disk Sanitization web page on HIPAAAdvisory from Phoenix Health Systems. This includes the Department of Defense guidelines and white papers on electronic data destruction methods: <http://www.hipaadvisory.com/tech/disksan.htm>.
3. *Dell Asset Recovery Services: Remove, Recycle, or Resell, An Executive White Paper*, November 2003. Aberdeen Group, Inc., [www.aberdeen.com](http://www.aberdeen.com). This document asserts "a reclamation cost of between \$115 and \$387 per device" (p. 6). Given that institutions can purchase desktop computer units in the \$300-500/unit range, such EOL costs would represent approximately 30% of the purchase price.
4. For more information on the Directives for *Waste Electric and Electronic Equipment and the Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment (RoHS)*: [http://www.informinc.org/fact\\_WEEEoverview.pdf](http://www.informinc.org/fact_WEEEoverview.pdf). To understand the impact RoHS is likely to have on products sold outside the EU (especially in the US): [http://www.informinc.org/fact\\_RoHS.pdf](http://www.informinc.org/fact_RoHS.pdf). To ascertain compliance dates for both directives and to evaluate short and long-term repercussions: [http://www.informinc.org/fact\\_WEEE.pdf](http://www.informinc.org/fact_WEEE.pdf).



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