

# **Fiscal Year 2013 Corporate Sustainability Plan**

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**MILLENNIUM**  
CHALLENGE CORPORATION  

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UNITED STATES OF AMERICA

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# Table of Contents

Policy Statement..... 1

Executive Summary ..... 2

Size and Scope of Agency Operations ..... 7



## Policy Statement

The Millennium Challenge Corporation (MCC) is committed to promoting and supporting environmental sustainability in its policies and operations.

MCC is an innovative and independent U.S. foreign aid agency helping lead the fight against global poverty. Created by the U.S. Congress in 2004, MCC has signed 26 development assistance compacts with 25 countries around the world. MCC is based on the principles of good governance, country ownership, transparency, and a focus on results. MCC promotes environmental sustainability as a core element of economic growth in its partner countries.

This Sustainability Plan reflects MCC's strong commitment to meeting all applicable environmental and energy statutes, regulations and Executive Orders, addressing specifically Executive Order (EO) 13514, "Federal Leadership in Environmental, Energy and Economic Performance." EO 13514's goal is "to establish an integrated strategy towards sustainability in the Federal Government and to make reduction of greenhouse gas emissions a priority for Federal agencies."

MCC is a small agency with fewer than 300 Federal employees at its leased headquarters in Washington, D.C., and a minimal presence in partner countries abroad. Nonetheless, MCC is committed to creating a sustainability-conscious operating environment for all of its employees and continuously improving policies and practices to enhance its environmental performance.

In developing the fiscal year (FY) 2013 Sustainability Plan, MCC has woven key elements of accountability, communication and evaluation that, in turn, are integrated into agency-wide planning and budgeting. MCC is proud of its sustainability record and remains committed to a program of continuous improvement in the coming year.

## **Executive Summary**

### *Overview and Vision*

MCC is committed to promoting and supporting environmental sustainability in its policies and operations. MCC's FY 2013 Sustainability Plan reflects MCC's strong commitment to meeting all applicable environmental and energy statutes, regulations and Executive Orders, addressing specifically Executive Order (EO) 13514, "Federal Leadership in Environmental, Energy and Economic Performance." EO 13514's goal is "to establish an integrated strategy towards sustainability in the Federal Government and to make reduction of greenhouse gas emissions a priority for Federal agencies." This document provides an executive summary of MCC's Sustainability Plan.

MCC is a small agency with fewer than 300 federal employees at its leased headquarters in Washington, D.C., and a minimal presence in partner countries abroad. Despite its small size and limited scope of operations, MCC is committed to creating a sustainability-conscious operating environment for all of its employees and continuously improving policies and practices to enhance its environmental performance. MCC has made continued progress toward enhancing its environmental performance, increasing efficiency, reducing waste, and greening procurement.

For the upcoming fiscal year, MCC will continue to integrate sustainability into its mission where appropriate and structurally support continued development, monitoring and evaluation of applicable sustainability programs and services related to all applicable sustainability goals.

### *Leadership and Implementation*

This year, MCC has realigned the Senior Sustainability Officer's role and all accompanying functional responsibilities to lead the planning, development and evaluation of the agency's annual sustainability plan from the Department of Compact Operations into the Department of Administration and Finance, which holds the majority of administrative functional responsibilities directly related to attaining applicable sustainability goals. The goal of this realignment is to further enhance accountability for future coordinated planning and evaluation of sustainability efforts agency-wide involving key stakeholders in the Office of the Chief Executive Officer, Office of General Counsel, Department of Congressional and Public Affairs, Department of Administration and Finance, Department of Compact Operations, and Department of Policy and Evaluation. MCC's current practice, among other related activities in this area, is to conduct annual sustainability reviews to prepare for the development of the annual sustainability plan. Going forward, MCC will continue to review where sustainability can best support program efforts and further integrate applicable sustainability concerns into MCC's overarching budget process to fund best practices appropriate to MCC's mission.

### *Performance Review*

The following is a brief summary that may include, where applicable, a discussion of integration, evaluation measures, successes, challenges, lessons, and planned actions for ongoing activities.

## ***Greenhouse Gas Reduction***

MCC is a small agency that neither owns nor controls any significant sources of direct greenhouse gas emissions. MCC leases approximately 125,000 square feet of commercial office space in two adjacent commercial buildings, in which electricity consumption is centrally metered and shared with other lessees. MCC leases and operates a single E85-fueled hybrid vehicle. Therefore, Scope 1 and Scope 2 emissions targeting do not apply.

Nonetheless, MCC continues to work to enhance its environmental performance, improve efficiency and reduce GHG emissions. MCC's ongoing efforts to enhance efficiency and reduce electricity consumption include:

- ★ Working with building management to identify areas where motion sensors have yet to be installed
- ★ Improving power management of information technology devices and configuring enhanced power management capabilities on all desktop and laptop devices to improve performance and reduce GHG emissions
- ★ Promoting conservation efforts, including posted signs encouraging staff to “turn off the lights”
- ★ Leasing a single E85-fueled hybrid vehicle with approximately 3,000 miles per year of vehicle use
- ★ Providing subsidies to encourage the use of public transportation with 68 percent of the agency participating
- ★ Implementing a pro-cycling policy revision that will provide subsidies for cyclists, consistent with OMB guidance

MCC Scope 3 emissions derive from staff commuting and airline travel. In 2012, MCC employee commuting habits indicated a 12 percent increase in public transportation with a 10 percent decrease in personal vehicles. In FY11, 53 percent of MCC employees used public transportation, and 42 percent used private vehicles to commute to and from work. However, in FY12, 65 percent of MCC employees used public transportation, and 32 percent of MCC employees used private vehicles to commute to and from work.

In 2011, MCC also implemented a flexible work program that allows employees to work alternative work schedules or telework. Such programs are expected to reduce staff commuting; based on current and projected enrollment in such programs, MCC established a 15 percent emission reduction target for Scope 3 emissions derived from staff commuting by 2020. Given current participation rates in these programs, it is likely that MCC has achieved its FY12 target of a 5 percent reduction in emissions derived from staff commuting.

## ***Buildings, Energy Savings Performance Contract (ESPC) and Regional and Local Planning***

MCC's leased office space has modern, energy-efficient systems, including upgraded energy-efficient HVAC, lighting, motion sensors, and low-flow fixtures. The owners of both buildings have applied for the 2012 Energy Star rating for commercial buildings. One of the buildings has applied for and received Silver LEED certification and has earned the Energy Star rating each year since 2008. The other building is in the review process for LEED certification. MCC's ongoing efforts to enhance efficiency and reduce electricity consumption include the following:

- ★ Continuing to engage lessor(s) and building management to identify cost-effective opportunities to enhance performance and reduce GHG emissions
- ★ Completing a space consolidation analysis to evaluate opportunities to enhance space utilization efficiency and reduce the carbon footprint of MCC operations
- ★ Confirming low-flow water fixtures or otherwise restricting flow rates.

## ***Pollution Prevention and Waste Reduction***

MCC is committed to pollution prevention, waste elimination and recycling and has taken steps to minimize waste and encourage conservation.

In 2009, to reduce paper consumption, MCC implemented new printer standards that eliminated use of cover sheets and required that all devices be set to duplex (double-sided) printing. In FY13, to further reduce paper consumption, MCC took steps to refresh and reduce its copier/printer fleet.

Going forward, MCC will continue to identify and implement cost-effective opportunities, where relevant, to minimize waste, increase reuse and encourage staff participation in recycling. MCC's ongoing efforts in this area include:

- ★ Continuing to use environmentally preferable soy-based inks
- ★ Continuing to use 100 percent post-consumer recycled content, acid- and elemental chlorine-free, FSC certified paper
- ★ Reducing number of copiers and printers
- ★ Maintaining leases in commercial buildings that are Energy-Star or LEED rated and which continue to implement Energy Star and LEED applications such as water reduction, shortened common area light usage and installation of motion/sound detectors
- ★ Maintaining a hybrid fleet vehicle
- ★ Implementing internal communications campaigns to raise awareness of employee contributions to conservation
- ★ Offering a commuter subsidy program to encourage use of public transportation
- ★ Participating in recycling programs with vendors, including toner and BlackBerry recycling

## ***Sustainable Acquisition***

E.O. 13514 requires agencies to advance sustainable acquisition and ensure that 95 percent of applicable new contract actions meet federal mandates for acquiring products that are energy efficient, water efficient, bio based, environmentally preferable, non-ozone depleting, recycled content, or are non-toxic or less toxic alternatives, where these products meet performance requirements. To monitor performance, agencies perform quarterly reviews of at least 5 percent of applicable new contract actions to determine if sustainable acquisition requirements are included.

MCC's Contracts and Grants Management Division procures all of MCC's headquarters requirements and processes all of MCC's FAR-based contract actions. MCC does not procure any direct supplies or products



other than office supplies. The overwhelming majority of MCC's contract actions are for services, not products and supplies. Therefore, the primary way in which sustainable acquisition requirements impact MCC and its contractors are in service contracts that contain Other Direct Costs (ODCs) that may involve procuring office supplies by contractors with government funds under time and materials contracts and in micro purchases.

For service contracts, MCC conducted a review of all new awards. In reviewing all new contracts and orders awarded between the preparation and submission of the FY12 report and this FY13 report, MCC found that it had awarded 161 new contracts and orders, with 96 of those contracts and orders containing ODCs above the micro purchase threshold. MCC then reviewed all of these 96 contracts and orders and found that 90 contracts and orders were compliant, with the bio based, Environmental Protection Agency (EPA) and Electronic Product Environmental Assessment Tool (EPEAT) sustainability clauses for service contracts included. This compliance rate is 93.75 percent. MCC immediately implemented corrective action and modified the six non-compliant contracts and orders to include these clauses. The contract compliance rate is now 100 percent.

For micro purchases, MCC has emphasized the need to procure sustainable and bio based products in its purchase card program's Standard Operating Procedures, including links and explanations as to what constitutes a sustainable product through the EPA Comprehensive Procurement Guidelines and the USDA Bio preferred program. MCC will continue to update and refine this guidance, including greater emphasis on utilizing the Federal Strategic Sourcing Initiative Blanket Purchase Agreement (BPA)s in the future.

### *Electronic Stewardship and Data Centers*

MCC strives to reduce the carbon footprint of information technology (IT) through virtualization and consolidation of IT hardware, software and systems, as well as through using shared services and adopting more cloud-based services. The Office of the Chief Information Officer within the Department of Administration and Finance is responsible for overseeing, planning, prioritizing, developing, contracting, operating, and maintaining the agency's information and communications technology resources.

MCC has invested in upgrading tools to support collaboration within the agency and with its partners. These tools are being enhanced to improve usability. Effective implementation is expected to contribute to an overall reduction in air travel and enhanced telework.

MCC data services have been substantially virtualized and moved to a commercial facility. This enables MCC to minimize infrastructure and to surge capacity if needed, resulting in an overall smaller permanent footprint and reducing electricity consumption. In addition, MCC is already using "software as a service" for significant applications such as the agency's financial system, procurement system, audit tracking systems, and video collaboration systems. MCC is in the process of evaluating more "software as a service" options with the goal to reduce hardware and data storage requirements in its data center.

### *Climate Change Resilience*

Climate change poses potential risks to the economic development of MCC partner countries and can adversely impact the effectiveness and sustainability of MCC investments. Climate change constitutes an environmental and social stressor that is important to consider in achieving cost effective and sustainable development outcomes. MCC is committed to helping its partner countries achieve climate resilient, low carbon economic development where it is both consistent and within MCC's core mission of reducing poverty through economic growth and economically and technically feasible.

MCC recently updated its *Environmental Guidelines* and *Compact Development Guidance* to, among other things, strengthen its requirements for addressing climate change risks and opportunities in the design, implementation and monitoring of MCC-funded projects. These new requirements are intended to encourage partner countries to assess climate risks and vulnerabilities early in the compact development process and, where relevant, incorporate cost effective adaptation measures into their MCC poverty reduction programs that will improve environmental and social performance and promote more sustainable development outcomes.

## ***Conclusion***

MCC remains committed to working to enhance sustainability in its Washington, D.C. headquarters and in its compact projects overseas. As the initiatives described in this executive summary take hold, MCC anticipates seeing results not only in environmental stewardship of headquarters operations, but also in reduced costs and improved social responsibility.

In striving to achieve its mission of reducing poverty through economic growth, MCC will continue to prioritize environmental sustainability in its policies, principles and practices.

## Size and Scope of Agency Operations

<b>Agency Size and Scope</b>	<b>FY 2011</b>	<b>FY 2012</b>
Total Number of Employees as Reported in the President's Budget	282	289
Total Acres of Land Managed	0	0
Total Number of Buildings Owned	0	0
Total Number of Buildings Leased (GSA and Non-GSA Lease)	2	2
Total Buildings Gross Square Feet (GSF)	124,752	124,752
Operates in Number of Locations Throughout the United States	2	2
Operates in Number of Locations Outside the United States	20	20
Total Number of Fleet Vehicles Owned	0	0
Total Number of Fleet Vehicles Leased	1	1
Total Number of Exempted-Fleet Vehicles (Tactical, Law Enforcement, Emergency, Etc.)	0	0
Total Amount of Contracts Awarded as Reported in Federal Procurement Data System (FPDS) (\$Millions)	67.8	78.2