

Purchasing POWER

Taking a more holistic approach to procurement is becoming easier, less expensive, and more desirable. But will that translate to greener products and construction practices?

BY JESSICA DOWNEY


In a hotel, where even the color of the flowers in the centerpieces are part of a designer's script, furnishing the entire property with the speculated products at the best price is a complicated proposition. And in tough economic times, with cost efficiency on the tip of everyone's tongues, finding the best price for your goods from floor to ceiling is likely to trump almost everything.

But with consumers becoming more concerned about environmental impact and many green products coming down in price as competition grows, furnishing the hotel with more sustainable goods is a compelling idea. Brigitta Witt, vice president of environmental affairs for the Hyatt Corporation, says the economy isn't the only factor that determines what products are purchased for their hotels. "If you start to envision a future when we're looking at \$300 for a barrel of oil, energy efficiency becomes a huge factor," she says. "And you can put sustainable products in hotels without sacrificing the bottom line. One of the more interesting misconceptions out there is that sustainability and the bottom line don't go hand and hand."

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—BRIGITTA WITT, VICE PRESIDENT OF ENVIRONMENTAL AFFAIRS, HYATT CORP.

Although some sustainable goods are still priced higher than their less green counterparts, procuring green products can be more of an issue of creativity and knowing where to look than price, says Sally Martin, vice president of procurement (rooms and F&B) for



HYATT CORP. IS PURCHASING SUSTAINABLE PRODUCTS FOR ITS NEW SEATTLE PROPERTY, OLIVE 8, AS IT SEEKS SILVER LEED CERTIFICATION.





THE LOBBY OF OLIVE 8 IS DESIGNED WITH SUSTAINABLE PRODUCTS.

Avendra, a company offering comprehensive procurement solutions. “One of our customers is using an eco-smart pillow made from 100 percent recycled PET bottles—14 bottles make up the fill to put together a pillow,” she says. “That way, it isn’t more expensive than a regular pillow.”

DEFINING SUSTAINABILITY

Several years ago, Avendra brought in a consulting group to help develop a clear

definition of a sustainable product—whether it was local, organic, made without toxic chemicals, or had a low environmental impact in production. “When you’re buying strawberries: is organic more important or is local more important,” asks Stacey Dash Thiell, vice president of marketing and communications at Avendra. “Is it better to truck them in from Florida so they are organic or get them from the farm down the street

even though there may be chemicals?”

The company determined that every hotel client has its own procurement goals, even when they identify sustainability as being an important factor. “The customers we work with can pick and choose what’s more important to them,” says Thiell. “Some of our customers believe in organic, and that’s their focus.”

Sometimes Martin sees an opportunity for a hotel client

to purchase a sustainable product that has a higher upfront cost but will save money over the long run. But whether they see a value depends on how the hotel or management looks at the expenditure. “In a lot of the analysis we do, we try to show the total costs of the life of the product,” she says. “The higher-level people tend to understand, but I’m not sure if the individual sees it because they may be comparing price to price.”

Price and quality are always carefully evaluated when speculators are choosing products, and it’s no different when you’re looking for organic, local, or more sustainable goods, Witt says. The key to evaluating products is identifying clear characteristics that are important to the brand. “[At Hyatt], we put together very comprehensive sustainability guidelines. At least 30 percent of our construction materials come within a 500-mile radius,” she explains. “We start there and work our way through the hotel.”

Hyatt, which is in the process of getting silver LEED certification for its new Seattle property, Olive 8, focuses on bringing in exclusively organic materials for its spas, Hyatt Pure. “All of the products are organic and have a very rigorous standard. We want to make sure the products do what they say we’re doing.”

SMART SUSTAINABILITY

Whether you’re procuring FF&E, carpeting, or ceiling paint, the price of sustainable options compared to less green vary from product to product, often depending on how much competition is in that particular market. When Avendra,

for example, can show a negligible price difference, choosing the environmentally friendly alternative becomes easy. “What’s becoming more accessible with each passing day from a consumer perspective and industry are energy-efficient products,” Witt says. “Light bulbs are more readily available and cheaper; water conserving appliances are easier to come by.”

The kitchen is an area where many hotels have moved toward energy-efficient products, says Mike Grossman, senior director of Avendra’s replenishment group. The advancements in energy-efficient technology have really come a long way over the years. For example, there are automatic dishwashers available where the spray of the water hits the dishes more efficiently, so you don’t have to heat the water up as much to clean them.

“We’re telling our clients, don’t wait for the products to break,” Grossman says. “In the long run you can save money on water, electricity, and gas if you invest in

the new, more efficient technology.”

However, on the other end of the scale, even the most environmentally friendly hotel company would admit that solar options are just beginning to come down now. “The bigger infrastructure can still be a challenge. We’re just starting to look at solar panels,” he says. “They are becoming more accessible because the products are easier to source. Just a year ago they were less accessible.”

Even if upfront costs take a while to match less sustainable products, Martin says many hotel and management companies will opt for the greener options when the economy rebounds convincingly. “If things start getting better, people may be willing to pay a bit higher price because the value offsets the cost. I think we’re right on the cusp,” she says. “The manufacturers are continuously looking into this. Hair dryer manufacturers are looking for ways to dry your hair for less energy, and biodegradable laundry bags [are being developed.] A few years from now there will be value.”

In addition to price, speed is a major consideration for replacement goods. Grossman says he often finds the best product replacement procurement value overseas, which can mean sacrificing sustainability. Many times the cost ends up being three times the price when you’re trying to find something here. It is really challenging to find that product at a good price.

But Witt says procuring products from outside of the United States should not inhibit speculators’ ability to find worthy sustainable goods. “Even in countries such as China, there is starting to be a much greater demand for products that are made more sustainably. I’m finding greater rigor in the way products are produced in factories,” she says. “How the products are manufactured, and the end result of that manufacturing, are becoming more sustainable.”

However, Witt says there is still work to be done. “We still have a long way to go, not just in Asia but everywhere.” ■