



# How Sustainable Purchasing Saves Money

Purchasing environmentally preferable (EP) products can be cost-neutral or cost-saving while providing equal or better performance as their counterparts. First, environmentally preferable purchasing (EPP) programs must consider whether a product or service is needed at all. Eliminating unnecessary products eliminates cost all together. Some EP products have immediate savings. Others may have a higher initial cost, but save money in the long run. Some products save money through lower operating costs, reduced purchasing frequency, or avoided waste. Lastly, other EP products are cost-neutral as they cost the same per unit as their more harmful alternatives.

## UNNECESSARY PURCHASING

One way sustainable purchasing can save money is by eliminating unnecessary purchases all together. Products such as coal tar asphalt sealant don't need to be purchased at all or are prohibited in EPP programs. Excluding unneeded purchases eliminates these costs entirely.

## HIGHER UPFRONT COST, BUT SAVE MONEY LONG-TERM

Some EP products may have a higher upfront cost, but save money when the product life, maintenance, disposal, and risk are taken into account. Determining the full costs of a product throughout its use and disposal is referred to as the "total cost of ownership."

A **product's life**, or how long it lasts, can reduce the product's total cost of ownership by way of reducing the frequency with which it needs to be replaced.

For example, purchasing microfiber or other reusable cloths in place of single-use or limited-use paper towels or mop heads reduces replacement costs. Another example of this cost-savings is rechargeable batteries and reusable products such as water bottles,



### Extended Life and Reduced Purchasing Costs

- Microfiber cloths
- Rechargeable batteries
- Reusable bottles, mugs, and utensils
- Concentrated cleaners

utensils, mugs, and transportation containers. Rechargeable batteries may initially cost more than traditional batteries, but recharging batteries is cheaper than buying new ones each time. The same principle applies to other reusable products, too. The higher initial cost of buying reusable water bottles or coffee mugs saves money compared to the alternative of continually buying cases of water and disposable coffee cups. Lastly, replacing traditional cleaning products with concentrated cleaners that are later diluted with water often save money because the concentrated products last longer than traditional cleaners and reduce the frequency of replacement.

EP products with reduced **operation, maintenance, and disposal** costs also have lower costs of ownership. Examples of these types of savings include energy-efficient products, reusable products, and products that



#### Reduced Operation, Maintenance, and Disposal Costs

- Energy-efficient products
- Resuable products
- Water-saving appliances

reduce water consumption. Energy-efficient products, like LED lights, may cost more upfront, but offer significant savings through reduced energy costs. Reusable products, like those mentioned above, provide cost-savings by reducing disposal costs. Eliminating or reducing the purchase of toxic products can

save money by reducing or eliminating the cost of toxic disposal services. Water-saving appliances, such as toilets or low-flow faucets may also have higher upfront costs, but will save money in the long-run by reducing water consumption.

Another way EPP can save money is by reducing the “hidden” costs of **liability, toxic exposure, and disposal** presented by some hazardous products. While these products may appear to cost the same or less as non-toxic alternatives, they can pose hazards to workers, the environment,



#### Lower Liability, Toxic Exposure, and Disposal Costs

- Non-toxic cleaners
- Natural pesticides
- Non-toxic solvents

and the community--costs that aren't included on the price tag. In Minnesota, communities are uncovering the “hidden” costs of toxic PFAS chemicals. The use of toxic products can expose employees and visitors to risk, threatening their health and introducing potential liability. The disposal of hazardous chemicals like pesticides,

batteries, and other toxic solvents also introduces an additional cost, which can be eliminated or reduced by replacing those items with EP products. For example, resilient flooring that doesn't contain harmful chemicals and doesn't need to be stripped and waxed will save money and reduce exposure to harmful toxins.

## COST-NEUTRAL PRODUCTS

Some EP products will cost the same or less per unit than their more harmful alternatives and can offer an immediate cost-savings. Common examples include products made from recycled content, items bought in bulk, and non-toxic cleaning products, office supplies, and furniture.