Purpose
The goal of the Join Committee is to obtain consensus on foundational issues concerning NSF 391.1 before or during the face-to-face meeting on March 20, 2015. Some of these issues address content in Section 1.2 of NSF 391 whereas other issues were discussed extensively by the Ad Hoc Committee in 2014. The purpose of this document is to present a resolution for ballot on each issue, based on the overall consensus of the Scoping Committee workgroup, as well as a summary of the various approaches discussed.

Resolution Issues

1. Professional Services Definition

Resolution for ballot
NSF 391.1 shall adopt the following as a definition of professional services: For purposes of NSF 391.1, Professional Service Firms are identified as organizations generally characterized by high knowledge intensity, low capital intensity, and with a professionalized workforce. This definition will be supplemented by additional guidance, including a list of NAICS codes that represent providers of professional services. Additionally, the phrases appearing in bold will be added to the glossary as defined terms within the standard (final wording of the definitions subject to further revision).

YES ______ NO_______

Glossary entries:

High knowledge intensity - A substantial body of human knowledge and expertise (or intellectually skilled workforce), not just among the executive and support functions (e.g. Finance, R&D), but also among frontline workers.

Low capital intensity – An environment in which advanced skills and expertise outweigh physical assets. This is representative of the fact that in general, a professional service firm’s production is not primarily dependent on physical assets (such as inventory, factories and equipment), but on employees with advanced skills and knowledge for the delivery of the service.

Professionalized workforce – A workforce characterized by a professional set of norms that is manifested both in explicit ethical codes enforced by professional associations and in internalized preferences often developed during professional training. At the core is the idea that professionals have a responsibility to protect the interests of their clients and/or society in general.

Background
It is difficult to develop a clear and unambiguous definition of professional services. In many cases, references to professional services rely on a list of examples (law firms, accounting firms, etc.). Andrew Von Nordenflycht pursues an actual definition in his article “What is a Professional Service Firm? Toward a Theory and Taxonomy of Knowledge-Intensive Firms”. However, Nordenflycht’s doesn’t develop a clear, unambiguous definition, and instead recommends thinking in terms of degrees of professional service based on the presence of more of fewer of the following characteristics: knowledge intensity, low
capital\(^1\) intensity, and a professionalized workforce. Recognizing that there may be exceptions to any of these three criteria, we inserted “generally”, to allow room for discretionary judgment to be exercised by the certifying organization. (For example, a medical office or hospital, where a large fraction of the workforce has advanced degrees, but where physical assets such as medical equipment and specialized buildings may also be present and represent significant asset value.)

This resolution would provide a working definition while keeping the door open to improvements. Some Scope Committee members indicated that they would prefer a clearer, less ambiguous definition accompanied by an exhaustive list of professional service NAICS codes that exclude firms in other NAICS. The benefit of this approach would be more clarity but the cost would be that it would exclude professional service providers that do not qualify for the definition in all respects or are in industries that were left off the list of NAICS.

The Scope Committee recommends that the Joint Committee adopt a working definition of professional services (provided above) and supplement the definition with a list of NAICS codes as a guide to frame the scope of the standard. The Scope Committee recommends that the standard require companies to meet this definition of a professional services organization in order to be certified to the standard (regardless of whether the industry is contained on the appended NAICS code listing), and direct auditors to conduct a “sniff” test. This approach is flexible but would provide protection against flagrant abuses.

2. NSF 391.1 Scope

Resolution for ballot
NSF 391.1 will apply at the professional service-line level. A professional service-line is defined as the materials, activities and portions of the company centered on delivering a professional service. For companies that only offer professional services, the service line is essentially equivalent to the entire company. For companies that offer a mix of professional and non-professional services NSF 391.1 will not certify the non-professional services-line; however, given the nature of the life cycle impacts associated with professional services, NSF 391.1 will include criteria applicable to the entire company, facilities and other boundaries that may impact the non-professional service-line.

YES ______ NO_______

Background
The Scope Committee has full consensus that the general scope of NSF 391.1 is meant to address all environmental, social and economic impacts that occur throughout the life cycle of the professional service, including the supply chain, buildings, travel, shipping and other activities. The challenge is developing an approach that best addresses those impacts given the variability of business sizes, mix of service offerings, locations and other variables. The following approaches were discussed:

- Company / corporate level: the standard applies to the entire company.
- Service – line level: the standard applies to professional service lines. Service-line is defined as the materials, activities and portions of the company centered on delivering a particular service.

\(^1\) Professional services still have capital, particularly buildings and land, but generally have low capital intensity compared to other industries. Capital usually lacking include heavy equipment and physical plants.
Service Provider level: the standard applies to the organizational entity which supports the contracted for-service, or which is directly/predominantly responsible for providing the service. This would generally be the human team working out of a local office which has a natural connection with not only the furnishings, products and equipment directly linked to providing the service, but the local community which the human service team interacts with.

Company / corporate level
The following reasons for allowing company / corporate level certifications were suggested:
- It is simple and clear in terms of avoiding ‘boundary’ issues.
- It clearly addresses the entirety of the company’s life cycle impacts
- It would be straightforward for buyers and many companies.

The following challenges with a company / corporate level certification were suggested:
- There was consensus that there would be problems with this approach for companies that offer both professional and non-professional services. For example, for a company that provides a professional service (such as business consulting) and a non-professional service (such as data center installation and services), the standard would not adequately address the impacts associated with the non-professional service. This could significantly weaken the standard depending on the revenue breakdown of the professional and non-professional service – lines and the capital intensity of the non-professional service.
- Some committee members were concerned that effective criteria cannot be developed for large businesses if certification is allowed at the company / corporate level. In addition, company/corporate level certification for large multi-state/national/facility corporations becomes meaningless due to the lack of connectivity between the corporation as a whole to the small facet of the business which is physically and humanly engaged in performing the service at the local level.
- Some committee members believe it represents a potentially amorphous quagmire of conflicting information and performance levels.

Service-line level
The consensus (not unanimous) of the Scope Committee is to apply NSF 391.1 at the service-line level. A service-line is defined as the materials, activities and portions of the company centered on delivering a particular service, such as accounting services, business consulting, etc. The service-line level is essentially equivalent to the company-level approach for companies that only offer professional services.

The service-line level would introduce flexibility into the standard by accommodating companies that offer both professional and non-professional services. A company that provides a professional service and a non-professional service would have the ability to certify the business consulting service line of their company under this approach. In these cases, NSF 391.1 will not target the non-professional portion of the company; however, given the nature of the life cycle impacts associated with professional services, NSF 391.1 will include criteria applicable to the entire company, facilities and other boundaries that will impact the non-professional portions of companies.

The service-line level approach is analogous to how life-cycle based product standards work. For example, a manufacturer may produce product A and product B from the same plant. If a sustainable
product standard exists for product A but not product B, the manufacturer can choose to certify product A and not B. The standard for product A could still address life cycle impacts that would also impact product B, such as corporate GHG emissions, labor workforce issues, waste management, etc (the BIFMA E3 furniture standard is a good example of this).

The Joint Committee will need to consider if guidance regarding boundaries are needed for particular criteria. For example, building related criteria may not be applicable to a particular building if it only includes staff and material dedicated to the non-professional service line. Another question that will need to be addressed is if companies can choose to certify one professional service line but not another professional service line.

The following reasons for not allowing service level certification were suggested:

- There could be difficulties associated with separating the professional and non-professional service lines of the company and allocating upstream impacts to the professional service line.
- If the professional service line is a small portion of the company, NSF 391.1 will only address a small portion of the company’s impacts.
- On the other end of the spectrum from the diluted sustainability of the large corporate/company certification, certifying only a single service function of a provider’s business detracts from the central point of a sustainability standard – to promote, through application of the marketplace – sustainable business. In essence, you can’t have a sustainable service without a sustainable service provider – even if that service provider engages in other services or commercial activities not the subject of the procurement. As a practical matter regarding sustainability, they are inseparable.

Facility / local office level

The primary rationale for including facility level certification is that it is perceived as the best way to ensure that 391.1 includes targeted, rigorous criteria. For example, tracking and reporting of high-toxic chemicals is not feasible for an entire company that includes multiple facilities but is feasible at the facility level.

A Scope Committee member makes the additional point: In providing bids for contracts, service providers with multiple geographic operations offices where the service might be provided would need to identify which operations office they will be primarily providing the service out of. If more than one location – and more than one human team – is to be used in providing the service, then the service provider would have to verify certification of both locations. This would be different than certifying at the company/corporate level, as that is not a targeted approach and would potentially require certifying the performance of offices and human teams that have nothing to do with performing the contracted-for service. Certifying multiple relevant locations in this case is based on where the service will actually be performed, and therefore makes the most coherent sense.

The following reasons for not allowing a facility / office level certification were suggested:

- Professional services cannot be cleanly segmented by facilities or local offices. Employees work across geography. Therefore, the impacts wouldn’t be adequately addressed at the facility / local office level.
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- NSF 391.1 would cause confusion in the market because buyers would have to determine if a certified provider was going to provide the service entirely from the certified facility.
- It would increase the expense for professional service providers with multiple facilities because they would have to certify multiple buildings.
- If the standard is meant to just address specific facilities, buyers should just give preference to service providers working from LEED or Green Globes certified facilities. NSF 391.1 would add little value.
- Effective criteria can be still be developed at the corporate or service line level.
- Most buyers and professional service providers on the Joint Committee have indicated that they do not want the standard to apply at the facility / local office level.

3. Consider Allowing Certification of a Sustainable Professional Service Offering when a Company Offers both a Sustainable and Non-sustainable Professional Service Offering

Resolution for ballot  
The Joint Committee shall discuss the merits of allowing companies to offer both sustainable and non-sustainable professional service offerings after the criteria are substantially completed.  

YES_______ NO________

Background  
Service offering is defined as the materials, processes and activities directly employed to complete a specific task or contract. For NSF 391.1, allowing sustainable and non-sustainable service offerings would allow a company to offer, for example, sustainable and non-sustainable accounting services, or sustainable and non-sustainable business consulting services. Companies could essentially offer clients either the “green label” professional service or the “standard” professional service.

The desire for this option was raised by NSF 391 industry members in the context of janitorial services. A significant portion of the overall janitorial impacts occur as the service offering is being provided, such as human health impacts from cleaning products. However, the sustainable service offering may raise the cost of the service. Allowing janitorial providers to offer a sustainable and non-sustainable service offering would allow the client to make the trade-off decision between sustainability and price. So, the general benefits of this option would be to introduce flexibility for professional service providers and their clients – does the client want the more sustainable option even if it is more expensive, less convenient and less luxurious?

It’s not clear if this is a viable option for professional service providers. Many impacts occur as a result of the company’s general operations and cannot be easily changed or accommodated at the client level. This would include impacts resulting from electricity use, buildings, waste and the supply chain. However, there are many impacts that could feasibly be managed at the service offering level on a client by client basis. This would include impacts resulting from airline travel, packaging and printing services, shipping services, hotels and food consumption. Companies could feasibly offer a sustainable option for these impacts without adopting them for every client.

It is difficult to determine if the sustainable service offering is a viable approach at this time because the criteria have not been developed yet. It will be easier to discuss the merits of this approach when the
criteria are substantially complete. The Scope Committee recommends that the sustainable service offering option be revisited at that time.

4. Change the Organization of the Standard from ESE (Environmental, Social, Economic) to “Impact Centers”

Resolution for ballot
The point section of NSF 391.1 shall be organized by “Impact Centers”, and the ‘social’, ‘economic’ and ‘environmental’ impacts shall be addressed within each identified Center (see Appendix) rather than as separate sections within the standard.

YES_______ NO_______

Background
The content in NSF 391 was arranged according to the accepted sustainability categories: environmental, social and economic. The overall consensus of the Scope Working group is to keep this organizational approach for NSF 391.1 since it aligns with the concepts of sustainability, is consistent with other standards and reporting scheme and is a framework generally recognized by stakeholders.

A JC member has proposed to change this to a structure that is organized by “impact centers”. Arranging by impact centers would identify upfront the important issues relating to sustainability for professional services. Examples of impact centers would be IT equipment, office furniture, cleaning chemicals, community support and engagement, etc. This approach would (1) identify what is material in terms of sustainability, (2) determine at what level those material facets are performing, (3) what level they should be performing and (4) whether they are in fact doing so. The traditional ESE components and hotspots would be addressed within each impact center. [SEE TEMPLATE IN APPENDIX BELOW]

5. Continued use of Pre-requisite and Point-based Criteria Across all Categories

Resolution for ballot
NSF 391.1 may include both prerequisite and point-based criteria within any category of the standard. Prerequisite criteria are mandatory and must be achieved in order for a professional service provider to be certified to the standard. Individual point-based criteria are optional but include points that cumulatively allow a service provider to achieve certification and higher tiers of performance.

YES_______ NO_______

Background
NSF 391 categorized criteria as either prerequisites or point-based criteria. Prerequisite criteria absolutely had to be met in order for the business to obtain certification, as did a threshold level of the optional point-based criteria. Bronze, silver and gold ratings (or a comparable three-tiered system) would be awarded based on achieving higher levels of the optional point-based criteria.

6. Include Management and Governance Criteria in NSF 391.1

Resolution for ballot
NSF 391.1 shall include management and governance criteria.

YES_______ NO_______
Background
The majority of the Scoping Committee recommends including management and governance criteria in NSF 391.1. Industry representatives have indicated that these criteria are essential components of sustainability from their perspective. Management and governance are typically considered relevant to sustainability because it’s an indicator of an organization’s ability to effect change and implement strategy and policies necessary reduce its impacts. The Global Reporting Initiative (GRI), Carbon Disclosure Project (CDP) and other corporate sustainability reporting schemes typically include many management and governance related issues. These governance and management issues are behaviors we want to incentivize because of the belief that in the long run they help companies implement decision making, measure progress and reduce negative impacts over time. While it’s important for the standard to measure progress and publicly report results, there is clearly a place in the standard for some policy-and management-based governance criteria.

The primary argument for not including governance and management issues in NSF 391.1 is that there is no demonstrable connection between those issues and ESE outcomes. Arguments that they are connected to ESE outcomes are theoretical and not empirically based. These issues are included in reporting schemes based on the idea that ‘confession is good for the soul’, which is reasonable for reporting and setting a public standard of accountability, but not reasonable for assessing actual performance in a standard.
APPENDIX A

Sample template for an “Impact Centers” organization of the standard

PROFESSIONAL SERVICES
(To be organized by category/item unique/relevant to a sector, a.k.a. “IMPACT CENTERS”, and then within that grouping, address its impact)

1) IMPACT CENTER -- COMPUTERS
   a. Existing Standards?
      i. EPEAT,
      ii. Energy Star
   b. Use Issues?
      i. Energy management – set defaults to energy savings when not in use, OR \
      ii. turn off
   c. Supply Chain Issues?
      i. Where manufactured?
      ii. Transportation to market issues (e.g., GHG emissions)?
      iii. How manufactured?
         1. What material and from where?
            a. Toxic metals
            b. Human/labor rights mining issues
            c. Environmental impact issues in mining (e.g., degradation, ground water, communities, etc.)
      iv. Packaging (solid waste impacts, diversion, recycling, etc.)?
      v. Disposal/end of life?
         1. Recycling?
         2. Repurposing?
         3. Landfill (U.S./foreign countries, etc.)?

2) IMPACT CENTER -- OFFICE FURNITURE
   a. Existing Standards?
      i. BIFMA
   b. Use Issues?
   c. Supply Chain Issues?
      i. Where manufactured?
      ii. Transportation to market issues (e.g., GHG emissions)?
      iii. How manufactured?
         1. What material and from where (e.g., sustainable forestry? FSC?)
            a. Toxic materials/exposure issues?
            b. Human/labor rights raw materials/manufacturing?
            c. Environmental impact issues in raw materials extraction (e.g., degradation, ground water, communities, etc.)
      iv. Packaging (solid waste impacts, diversion, recycling, etc.)?
      v. Disposal/end of life?
         1. Recycling?
2. Repurposing?
3. Landfill (U.S./foreign countries, etc.)?

3) IMPACT CENTER --RENOVATION MATERIALS (e.g., paints and wall covering, carpet, etc.)
   a. Existing Standards?
      i. NSF (carpet)
   b. Use Issues?
   c. Supply Chain Issues?
      i. Where manufactured?
      ii. Transportation to market issues (e.g., GHG emissions)?
      iii. How manufactured?
         1. What material and from where (e.g., sustainable forestry? FSC?)
            a. Toxic materials/exposure issues?
            b. Human/labor rights raw materials/manufacturing?
            c. Environmental impact issues in raw materials extraction (e.g., degradation, ground water, communities, etc.)
      iv. Packaging (solid waste impacts, diversion, recycling, etc.)?
   v. Disposal/end of life?
      1. Recycling?
      2. Repurposing?
      3. Landfill (U.S./foreign countries, etc.)?

4) IMPACT CENTER --HUMAN RESOURCES
   a. Energy generally
      i. Energy management
      ii. Use of renewable energy
      iii. Scope III (e.g., employee commuting)
      iv. Official travel
         1. Air
         2. Hotel
         3. Rental car
         4. Ground transportation
         5. Alternatives (e.g., video conferences)
   b. Workforce issues
      i. Non-discrimination
      ii. Fair labor practices
      iii. Etc.
   c. Facility lease
      i. Sustainability contract clauses
      ii. Office cleaning
         1. Chemical use and management
         2. Servicing
         3. Disposal
         4. Supply chain issues
         5. Use
5) IMPACT CENTER – FACILITY

6) IMPACT CENTER – NON-BUSINESS STAKEHOLDERS

7) IMPACT CENTER – MANAGEMENT/CORPORATE OPERATIONS/GOVERNANCE