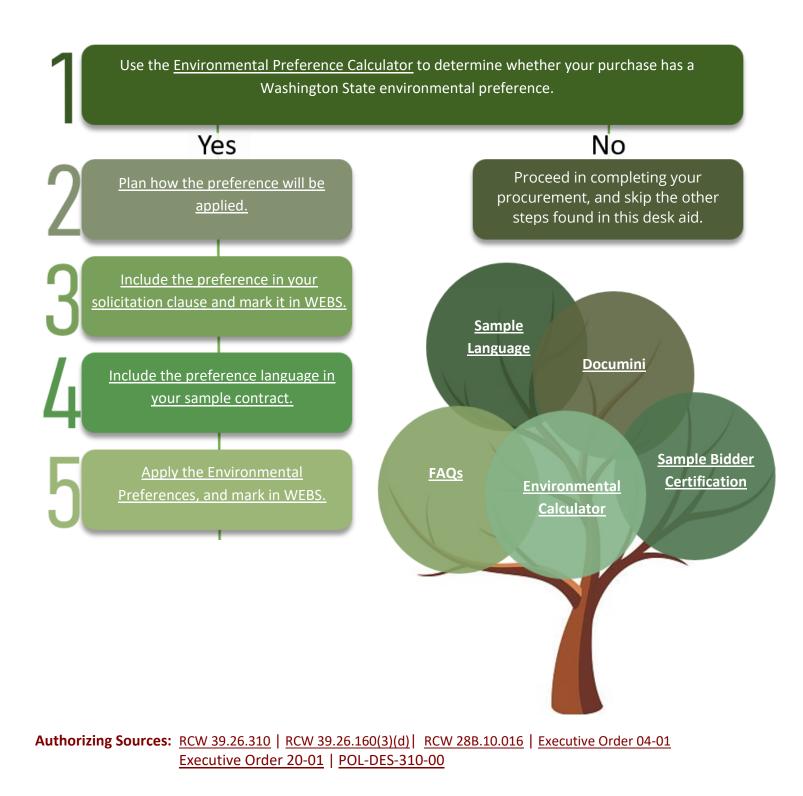




HYDROFLUOROCARBONS (HFCs) ENVIRONMENTAL PREFERENCE (EP) DESK AID



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STEP 1. DETERMINE WHETHER OR NOT THE PRODUCT YOU ARE PURCHASING HAS AN ENVIRONMENTAL PREFERENCE.

Use this <u>Environmental Risk Calculator</u> to determine whether the product you are purchasing is at risk of environmental concerns.

Specifically, HFCs are primarily found in the following products, some of which are no longer produced containing HFCs.

- Refrigeration and air conditioning, to include chillers, cold storage warehouses, commercial ice machines, household refrigerators and freezers, ice skating rinks, industrial process air conditioning, industrial process refrigeration, motor vehicle air conditioning, non-mechanical heat transfer systems, residential and light commercial air conditioning and heat pumps, residential dehumidifiers, refrigerated transport, retail food refrigerations, vending machines, very low temperature refrigeration, water coolers.
- 2. Foam blowing agents, to include:
 - a. Rigid polyurethane for appliances, foam spray (roofing and walls), marine flotation foam, sandwich panels (insulation for walls and metal doors), slabstock (insulation for panels and pipes), laminated boardstock (insulation for roofing and walls);
 - b. Flexible polyurethane (foam furniture, bedding, chair cushions, and shoe soles);
 - c. Integral Skin Polyurethane (car steering wheels, dashboards, and shoe soles);
 - d. Polystyrene: Extruded sheet (for packaging and buoyancy or flotation) and Extruded Boardstock & Billet (insulation for roofing, walls, flooring, and pipes;
 - e. Polyolefin (foam sheets and tubes);
 - f. Polyisocyanurate laminated boardstock (insulation for roofing and walls);
 - g. Phenolic insulation board & bunstock (insulation for roofing and walls);
- 3. Cleaning solvents used to remove oil, grease, solder flux, and other contaminants, to include metals, electronics, and precision cleaning;
- 4. Fire suppression and explosion protection
- 5. Aerosols, to include both propellants and solvents;
- 6. Sterilants (substances used to kill microorganisms on medical equipment and devices;
- 7. Adhesives, coatings, and inks
- 8. Sterilants (substances used to kill microorganisms on medical equipment and devices;
- 9. Adhesives, coatings, and inks

The questions in the Environmental Preference Calculator apply to and evaluate the products listed above.

STEP 2. PLAN HOW THE HFCS PREFERENCE WILL BE APPLIED. THERE ARE FOUR CONSIDERATIONS (A-D BELOW).

A. Determine if your purchase has specific human impact, other environmental impacts, market impact, or public concerns that will affect the design of your procurement. In addition to the Environmental Preference, agencies may design their specific procurements to meet agency, market, additional environmental impacts, which may include other factors (i.e., human impact).







- B. Determine if you will use the HFCs Environmental Preference in one or multiple items. Multiple items: If the procurement is for numerous line items (e.g., office products, multiple devices), the agency should specify those items within the solicitation.
- C. Determine and identify in the solicitation if the bidder must provide notification of substitute products throughout the duration of the contract.
- D. Determine if you will give the minimum 5% preference, or if you will give a higher percentage.

Example

Example: Your agency needs to purchase 15 commercial ice machines. Following is a bid example showing how you could use an HFC cost preference of 5% for products that bid with an "Acceptable" Substitute Listing Status, as identified by the EPA SNAP Program. Remember, you can make your Environmental Preference higher than 5%.

Cost Preference Sample:

| Product: | Commercial Ice Machines Quantity 15 | | | | |
|-----------|-------------------------------------|----------------|-----------------------------|-------------------------|--------------------|
| | | | | | |
| Bidder: | Unit Price | Extended Price | SNAP | Price | Total Evaluated |
| | | | Listing Status ₂ | Preference ₃ | Price ₁ |
| Bidder A: | \$2,999.00 | \$44,985.00 | Acceptable Substitute | 5% | \$42,735.75 |
| Bidder B: | \$1,799.00 | \$26,985.00 | Acceptable Substitute | 5% | \$25,635.75 |
| Bidder C: | \$1,556.00 | \$23,340.00 | Acceptable Substitute | 5% | \$22,173.00 |
| Bidder D: | \$2,101.00 | \$31,515.00 | Acceptable Substitute | 5% | \$29,939.25 |
| Bidder E: | \$1,500.00 | \$22,500.00 | Unacceptable | 0% | N/A ₄ |
| | | | Substitute | | |

Footnotes:

1 - Calculation of price preference: In the example above, the Bid Price is multiplied by .95 (5% preference) to equal the Total Evaluated Price.

2 – Products are rated by the Environmental Protection Agency's SNAP Program.

3 - The preference is only applied to those products bid that have an "Acceptable Substitute" SNAP rating. Purchasers have the flexibility to offer a higher than 5% preference, but no less than 5%.

4 – Bidder E is not eligible for the preference, as the product bid did not have an "Acceptable Substitute" SNAP rating.

STEP 3: INCLUDE HFCs PREFERENCE IN YOUR SOLICITATION.

A. Include a *HFCs Purpose Statement* regardless of whether the product you are purchasing will have a HFCs Environmental Preference.







Sample Hydrofluorocarbons (HFCs) Purpose Statement:

Hydrofluorocarbons (HFCs) contribute to climate change and so have an adverse effect on human health and the environment. Accordingly, the State of Washington, through its procurements of goods, is trying to minimize the purchase of products that contain HFCs or contain HFCs with a comparatively low global warming potential and to incentivize its vendors to sell products without HFCs.

B. Include a statement that specifies how you will award the preference points during the evaluation.

Sample Hydrofluorocarbons (HFCs) Evaluation Clause:

Pursuant to RCW 39.26.310 a preference shall be given to the purchase of products that contain no HFCs or HFCs with a comparatively low global warming potential, then a preference of XX% (no less than 5%) will be given to the bidder who provides evidence as set forth herein, that the products in Exhibit _____ (cost worksheet), have an "Acceptable" Substitute Listing Status, as identified by the Environmental Protection Agency's (EPA) Significant New Alternatives Policy (SNAP) Program.

Bidders must make the certification on the certification form attached as DOCUMENT TITLE. Bidders who seek to obtain the XX% bid preference for Products that Do Not Contain Hydrofluorocarbons (HFCs) must, in regard to the products pertaining to this procurement, certify that the products specified in DOCUMENT TITLE have an "Acceptable" Substitute Listing Status, as identified by the EPA SNAP Program.

C. Include a requirement that states that the bidder must ensure the product or products still maintain the same levels or lower of HFCs throughout the term of the contract.

When writing this requirement consider these questions:

- What are the consequences if the product that was given preference is changed and no longer meets the agreed upon HFCs levels?
- Will the item be removed from contract until corrected?
- Will the vendor be cured/suspended/terminated due to contract performance?

Include a requirement that the vendor specify the products eligible for a preference are all products bid with an "Acceptable" Substitute Listing Status, as identified by the <u>Environmental Protection Agency's</u> (EPA) Significant New Alternatives Policy (SNAP) Program.

- D. Include an Environmental Bidder Certification.
- E. Mark your preference in WEBS on the *Manage Solicitations* screen.







STEP 4: INCLUDE HFCs ENVIRONMENTAL LANGUAGE IN YOUR SAMPLE CONTRACT.

A. Include language regarding HFCs in your sample contract.

Sample Hydrofluorocarbons (HFCs) Contract Warranty Language:

<u>Contractor Preference – Product(s) Do Not Contain HFCs or Contain HFCs with a Comparatively Low</u> <u>Global Warming Potential</u>. Contractor represents and warrants that, during the term of this Contract, for any product(s) for which Contractor sought and was awarded a purchasing preference pursuant to RCW 39.26.310 and Washington State Procurement Policy DES-POL-310-00, such product(s) shall meet or have less than the HFC level(s) that enabled Contractor to be awarded such preference.

Notwithstanding any provision to the contrary, upon breach of warranty and Contractor's failure to provide satisfactory evidence of compliance within thirty (30) days, Agency may suspend or terminate this Contract. The rights and remedies of the parties under this warranty are in addition to any other rights and remedies of the parties provided by law or equity, including, without limitation, actual damages, and, as applicable and awarded under the law, to a prevailing party, reasonable attorneys' fees and costs.

B. Include *HFCs Environmental Purpose Statement* regardless of whether the product you are purchasing has a HFCs preference.

Sample Hydrofluorocarbons (HFCs) Purpose Statement:

Hydrofluorocarbons (HFCs) contribute to climate change and so have an adverse effect on human health and the environment. Accordingly, the State of Washington, through its procurements of goods, is trying to minimize the purchase of products that contain HFCs or contain HFCs with a comparatively low global warming potential and to incentivize its vendors to sell products without HFCs.

STEP 5: APPLY THE PREFERENCE, AND MARK IN WEBS

- A. If the bidder wishes to receive the preference, you will receive a Contractor Certification for Environmental Preference noting "Acceptable" Substitute Listing Status, as identified by the Environmental Protection Agency's (EPA) Significant New Alternatives Policy (SNAP) Program.
- B. If no bids are received seeking an "HFCs Environmental Preference," or if none of the bids satisfy "Acceptable" Substitute Listing Status as identified by the <u>Environmental Protection Agency's (EPA)</u> <u>Significant New Alternatives Policy (SNAP) Program, the agency shall evaluate and award based on best</u> value.







C. Mark your preference in WEBS on the *Solicitations Responses* screen.







Sample Language

SELECT THIS LINK FOR THE LATEST SAMPLE ENVIRONMENTAL PREFERENCE BIDDER CERTIFICATION

SAMPLE HFCs Environmental Preference **Purpose Statement**:

Hydrofluorocarbons (HFCs) contribute to climate change and so have an adverse effect on human health and the environment. Accordingly, the State of Washington, through its procurements of goods, is trying to minimize the purchase of products that contain HFCs or contain HFCs with a comparatively low global warming potential and to incentivize its vendors to sell products without HFCs.

SAMPLE HFCs Environmental Preference Evaluation Clause:

Pursuant to RCW 39.26.310 a preference shall be given to the purchase of products that contain no HFCs or HFCs with a comparatively low global warming potential, then a preference of XX% (no less than 5%) will be given to the bidder who provides evidence as set forth herein, that the products in Exhibit ____ (cost worksheet), have an "Acceptable" Substitute Listing Status, as identified by the Environmental Protection Agency's (EPA) Significant New Alternatives Policy (SNAP) Program.

Bidders must make the certification on the certification form attached as DOCUMENT TITLE. Bidders who seek to obtain the XX% bid preference for Products that Do Not Contain Hydrofluorocarbons (HFCs) must, in regard to the products pertaining to this procurement, certify that the products specified in DOCUMENT TITLE have an "Acceptable" Substitute Listing Status, as identified by the EPA SNAP Program.

Bidders must make the certification on the certification form attached as DOCUMENT TITLE. Bidders who seek to obtain the XX% bid preference for Products that Do Not Contain Hydrofluorocarbons (HFCs) must, in regard to the products pertaining to this procurement, certify that the products specified in DOCUMENT TITLE have an "Acceptable" Substitute Listing Status, as identified by the EPA SNAP Program.

SAMPLE HFCs Environmental Preference contract warranty language:

<u>Contractor Preference – Product(s) Do Not Contain HFCs or Contain HFCs with a Comparatively Low</u> <u>Global Warming Potential</u>. Contractor represents and warrants that, during the term of this Contract, for any product(s) for which Contractor sought and was awarded a purchasing preference pursuant to RCW 39.26.310 and Washington State Procurement Policy DES-POL-310-00, such product(s) shall meet or exceed the HFC level(s) that enabled Contractor to be awarded such preference.

Notwithstanding any provision to the contrary, upon breach of warranty and Contractor's failure to provide satisfactory evidence of compliance within thirty (30) days, Agency may suspend or terminate this Contract. The rights and remedies of the parties under this warranty are in addition to any other







rights and remedies of the parties provided by law or equity, including, without limitation, actual damages, and, as applicable and awarded under the law, to a prevailing party, reasonable attorneys' fees and costs.

FAQS FREQUENTLY ASKED QUESTIONS

1. What are HFCs?

Answer: Hydrofluorocarbons or HFCs are chemicals consisting of hydrogen, fluorine, and carbon. They are commonly used in air conditioning systems, in refrigeration, in the production of insulating foams, and as aerosol propellants. There are many forms of HFCs that, in some cases, have thousands of times the global warming potential of carbon dioxide. They are primarily found in the following products:

10. Refrigeration and air conditioning, to include chillers, cold storage warehouses, commercial ice machines, household refrigerators and freezers, ice skating rinks, industrial process air conditioning, industrial process refrigeration, motor vehicle air conditioning, non-mechanical heat transfer systems, residential and light commercial air conditioning and heat pumps, residential dehumidifiers, refrigerated transport, retail food refrigerations, vending machines, very low temperature refrigeration, water coolers.

11. Foam blowing agents, to include:

- a. Rigid polyurethane for appliances, foam spray (roofing and walls), marine flotation foam, sandwich panels (insulation for walls and metal doors), slabstock (insulation for panels and pipes), laminated boardstock (insulation for roofing and walls);
- b. Flexible polyurethane (foam furniture, bedding, chair cushions, and shoe soles);
- c. Integral Skin Polyurethane (car steering wheels, dashboards, and shoe soles);
- d. Polystyrene: Extruded sheet (for packaging and buoyancy or flotation) and Extruded Boardstock& Billet (insulation for roofing, walls, flooring, and pipes;
- e. Polyolefin (foam sheets and tubes);
- f. Polyisocyanurate laminated boardstock (insulation for roofing and walls);
- g. Phenolic insulation board & bunstock (insulation for roofing and walls);
- 12. Cleaning solvents used to remove oil, grease, solder flux, and other contaminants, to include metals, electronics, and precision cleaning;
- 13. Fire suppression and explosion protection
- 14. Aerosols, to include both propellants and solvents;
- 15. Sterilants (substances used to kill microorganisms on medical equipment and devices;
- 16. Adhesives, coatings, and inks
- 17. Sterilants (substances used to kill microorganisms on medical equipment and devices;
- 18. Adhesives, coatings, and inks
- 2. Why should we be concerned?







Answer: HFCs represent a relatively small percentage of greenhouse gas emissions; in Washington State, for example, HFCs currently make up about 4 percent of overall greenhouse gas emissions. However, their "global warming potential", or capacity to damage the climate, is high (some HFCs are over a thousand times more damaging than carbon dioxide) and HFC emissions are rapidly increasing.

3. How are we exposed?

Answer: At environmental concentrations HFCs pose little to no immediate threat to human health. However, HFCs contribute to global climate change, and the estimated long-term risks to human health due to climate change include: increased severe weather events, extreme heat, increased rates of disease, increased air pollution, and degradation of water quality and food systems.

4. What can government and industry do?

Answer: In 2016, 197 countries signed the Kigali Agreement, an amendment to the Montreal Protocol that will reduce the manufacture of HFCs by up to 85 percent by 2045. The United States signed onto the Kigali Agreement, but has not yet ratified it. The U.S. Environmental Protection Agency has removed HFCs from the list of acceptable substitutes for ozone-depleting substances but the U.S. Court of Appeals later ruled that EPA does not have the regulatory authority to require the replacement of HFCs that are currently in use. After this decision, some states have chosen to adopt their own HFC reduction rules.

The 2019 Washington Legislature determined that HFCs pose a significant threat to Washington's environment and that safer, cost-effective alternatives are available. The Legislature passed <u>Engrossed</u> <u>Second Substitute House Bill 1112</u> to restrict the use of HFCs in equipment and products in Washington.

The Washington law, to be implemented by the Department of Ecology, focuses on reducing the use of HFCs in new equipment, so these requirements will be met by manufacturers and distributors. This means that, in most cases, residents and businesses that own or use equipment containing HFCs will not need to take action to comply with the law.

5. To whom does this policy apply?

Answer: Any state office or activity of the executive branch of state government, including state agencies, departments, offices, divisions, boards, commissions, institutions of higher education as defined in <u>RCW</u> <u>28B.10.016</u>, correctional and other types of institutions (<u>RCW 39.26.010(1)</u>) (<u>RCW 39.26.100</u>) (<u>RCW 39.26.100</u>).

6. What are the Authorizing sources?

Answer:

- Engrossed Second Substitute House Bill 1112
- <u>RCW 39.26.310</u>
- <u>RCW 39.26.160(3)(d)</u>
- Executive Order 04-01
- Executive Order 18-01







7. What is the effective date of the policy?

Answer: Read the policy

8. Question: When do I have to complete the training? Answer: Link to Chris Liu letter

CONTACTS & RESOURCES

Contact DES Customer Service, (360) 360-407-2210 or email Contractingandpurchasing@des.wa.gov.

- Questions about providing the Environmental Preference during procurement
- HFCs within Master Contracts

