COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

EXECUTIVE ORDER OF THE GOVERNOR

EXECUTIVE ORDER NO. 22

SUBJECT: Energy Efficient Procurement Practices for the Government of the Commonwealth of the Northern Mariana Islands

WHEREAS, P.L. 94-163, the Energy Policy and Conservation Act and P.L. 94-385, the Energy Conservation and Production Act have become National policy; and

WHEREAS, each Public Law has the objective of reducing energy consumption on a National scale; and

WHEREAS, an important goal for the Commonwealth is to achieve a reduction in energy consumption of 5% of that energy projected to be consumed in the year 1980, in accordance with Federal Guidelines established by P.L. 94-163 and P.L. 94-385; and

WHEREAS, the Government of the Commonwealth procurement personnel have had opportunity for training in a workshop conducted by the Commonwealth Energy Office to apprise and instruct them in methods of application of energy saving criteria and standards to energy consuming equipment purchased for use by the Government; and

WHEREAS, tentative applicable standards are outlined in the Commonwealth State Energy Conservation Plan which are useful guidelines for procurement officers and buyers; and

WHEREAS, it is a requirement that Energy Efficient Procurement Practices and Standards be in place and ready for implementation on or before August 1, 1980;

NOW THEREFORE, I, CARLOS S. CAMACHO, Governor of the Commonwealth of the Northern Mariana Islands, by virtue of the authority vested in me by Article III, Section 15 of the Constitution, do hereby direct that all energy consuming equipment purchased for use by the Government of the Commonwealth of the Northern Mariana Islands, shall be subject to the following considerations and actions:

(1) No procurement agent shall initiate procurement action for energy consuming equipment for use by the Government (such as air-conditioners, refrigeration equipment, automobiles, pick-up trucks, large trucks, vans, buses, and the like), without a complete energy justification from the requesting agency. Such justification shall include but not be limited to:

(a) A statement of size, usage, or other category of usage or need as usually understood by that term.

(b) A calculation showing the manner in which life-cycle costs were determined for the purpose of acquisition.

(c) A statement showing how energy efficiency criteria were utilized in selecting the equipment.

(d) A statement that the proposed purchase meet Energy Efficiency Standards no less stringent than those currently in effect, such as the 1978 U.S. Environmental Protection Agency Gas Mileage Guide for Vehicles, or U.S. Department of Energy AHAM Energy Efficiency Ratio Standards for such purchases, or similar standard guidelines as may be made available or amendments thereto.

(e) In any case, procurement agents shall certify that every effort has been made to apply energy conservation criteria in all such purchases. (See attached Guidelines.)

(2) Energy Efficiency Ratios: All energy consuming equipment shall be selected upon the basis of specifications which include Energy Efficiency Ratios, such information being supplied by the appropriate industry certification document which accompanies such equipment (such as AHAM/EPA, etc.)

(3) Life-Cycle Costs: Data from which the Life-Cycle Costs of all energy consuming equipment may be calculated shall be made available to procurement officials by suppliers or manufacturers of such equipment.

(4) Awarding of Bids: Awarding of bids for energy consuming equipment shall be made to suppliers on the basis of the above criteria in addition to initial cost, where the EER and LCC reflect energy and cost savings over the life of the equipment, shall be the final deciding point. Directors of all Government agencies, including autonomous agencies, shall ascertain that the above procedures are in force and applied to purchases and purchasing practices subsequent to the effective date of this Executive Order.

DATED: February 3, 1981

CARLOS S. CAMACHO
Governor

GUIDELINES FOR ENERGY EFFICIENCY GOVERNMENT PROCUREMENT PRACTICES

1. The current Energy Efficiency Standards for AIR CONDITIONERS and other REFRIGERATION equipment are those incorporated in the American Home Appliance Manufacturers (AHAM) publications relating to such equipment.
2. The current Energy Efficiency Standards for VEHICLES of all types shall be the Environmental Protection Agency GAS MILEAGE GUIDE, for 1980, and amendments thereto.
3. Application of Energy Efficiency Criteria

AIR CONDITIONERS: The present AHAM Energy Efficiency Ratios (EER) range from 5.4 to 11.0. EER values have proven reliable criteria upon which to base procurement decisions, in preference to the simple 'low-dollar' valuation of many current bids. To take advantage of EEr values, the following formula is used:

$$\frac{\text{Initial Cost}}{\text{EER}} \times \text{Total years of expected use} \times \text{Operational Costs} = \text{Total Bid Price}$$

EXAMPLE:

A. Air Conditioner "A" Supplier's Bid Price $500.00, EER 7.5, years of use (2) Operational cost $350/2 years (very Optimistic)

$$\frac{\$500}{7.5} \times \$350 = 23{,}333$$

B. Air Conditioner "B" Supplier's Bid Price $500.00 EER 9.5, years of use (2) Operational cost $250/2 years (very Optimistic)

$$\frac{\$500}{9.5} \times \$250 = 13{,}158$$

Taking into account the reduced costs for the higher EER, Air Conditioner "B" is the better buy, and gets the bid. Even if Air Conditioner "A" cost only $400, "B" is still the better buy. This is basically because the lower EER unit will have higher operating costs than a more efficient unit.

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VEHICLES: The current, 1980 Environmental Protection Agency (EPA) Gas Mileage Guide shall be the official guide for determining gas mileage for Government vehicles of all kinds. In addition to pricing information, the following formula shall be used which takes into account the factors of total estimated mileage and the price per gallon of gasoline:

Calculation of Total Bid Price: (TBP)

$$\text{Basic Formula: } \frac{\text{Total Miles driven}}{\text{EPA Rating}} \times \text{Price/Gallon of gasoline} + \text{Bid Price} = \text{TBP}$$

EXAMPLE:

A. Vehicle "A" (EPA Gas Mileage Rating 41 MPG)

$$\frac{70{,}000 \text{ miles}}{41} \times \$1.40/\text{gal.} + \$4{,}000 = \$6390.24 \text{ (TBP)}$$

B. Vehicle "B" (EPA Gas Mileage Rating 34 MPG)

$$\frac{70{,}000 \text{ miles}}{} \times \$1.40/\text{gal.} + \$4{,}000 = \$6882.35 \text{ (TBP)}$$

The difference of $492.11 in favor of Vehicle "A" with the better EPA Gas Mileage Rating, results in a saving of nearly a year's fuel costs.

Where such formulas are not available to procurement personnel a required by section (1a) of Executive Order No. _____, the supplier shall provide the calculation, showing all computations. When such formulas are available from the Public Procurement Research Foundation, Inc., of the National Association of State Purchasing Officials, P.O. Box 11910, Iron Works Pike, Lexington, Kentucky 40511, they shall be incorporated into these guidelines, and made applicable to all purchases of energy consuming equipment.

COMMONWEALTH ENERGY OFFICE