



City of Cambridge

Executive Department

Robert W. Healy, City Manager
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TO: Department Heads, School Department and Purchasing Staff
FROM: Robert W. Healy, City Manager
RE: Energy Star Purchasing Policy
DATE: January 6, 2006

Cambridge has a firm commitment to climate protection and greenhouse gas reduction, as demonstrated by the Climate Protection Plan endorsed by the City Council in 2002. Cambridge has similarly demonstrated its commitment to energy efficiency by partnering with the U.S. Environmental Protection Agency's Energy Star program, joining a growing list of 170 states, cities, counties, and towns across the country, including Boston and the Commonwealth of Massachusetts.

In accordance with the City's stated commitment to climate protection and energy efficiency, it is the policy of this City that any purchase or solicitation by a department for the purchase or lease of an energy-using product, the department shall specify and purchase, where practicable, a product that carries the Energy Star label. For product categories not rated by Energy Star, it is the policy of this City that departments shall specify, where practicable, that the product be in the top 25% of its product category with regards to energy efficiency.

While many energy efficient products are currently available for no price premium, should a price differential exist, the City shall apply a simple life cycle cost analysis. For purchases where the payback period is five years or less, the department shall, where practicable, purchase the Energy Star labeled or energy efficient products, with the exceptions listed below. Where the payback period is longer than five years, the purchase of Energy Star compliant or energy efficient products is still encouraged. The Purchasing Department will offer guidance to department staff in determining the payback periods. In all cases the Purchasing Department will be available to consult with Departments relative to any issues with procurements to ensure the highest compliance with the policy.

This policy shall not apply to procurements where:

- (1) the department in question finds that the inclusion of a specification otherwise required by this section would not be consistent with its ability to obtain the highest quality product at the lowest price, provided that such finding is based upon a study of life cycle costs; or
- (2) the available Energy Star labeled products do not fully meet the needs of the department.

Definitions:

Energy Star: is a government-backed program run by the Environmental Protection Agency that helps businesses, institutions, and individuals protect the environment and save money through superior energy efficiency. Energy Star rates over 28,000 products in over 40 product categories.

Energy efficient product: a product that is either Energy Star labeled, or, if Energy Star does not currently rate the product category in question, a product that is in the top 25% in its product category with regards to energy efficiency.

Payback period: Some Energy Star products cost slightly more than their non-labeled counterparts. However, the difference in respective prices (price premium) is eventually offset by energy cost savings due to higher energy efficiency. The payback period is the amount of time required for energy cost savings to equal the price premium.

Price Premium: The difference in cost between an energy efficient product and a similar product in the same product category.