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EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

OFFICE OF FEDERAL
PROCUREMENT POLICY

JUL 2 1980

POLICY LETTER NO. 76-1
SUPPLEMENT NO. 1

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Federal Procurement Policy Concerning Energy Conservation

Public Law 94-163, the Energy Policy and Conservation Act, was enacted December 22, 1975. Section 381.(a)(1) thereof requires the President to promote energy conservation and efficiency through procurement policies and decisions of the Federal Government. Under the authority vested in the Administrator for Federal Procurement Policy by Public Law 93-400, OFPP Policy Letter No. 76-1 (copy attached) was issued August 8, 1976 extending this requirement to the Executive Departments and Establishments. In turn, the General Services Administration and the Department of Defense issued implementing regulations making the requirement a mandatory standard with respect to both advertised and negotiated procurements and underlying procurement and property management documents, such as purchase requests. The applicable regulatory coverage is set forth in the following regulations:

Federal Procurement Regulations 1-1.339-1
Defense Acquisition Regulation 1-339
Federal Property Management Regulation 41 CFR Chapter 101,
Subchapter E, Part 101-25.

The continuing increase in energy costs, both as a percentage of the life cycle costs of facilities, equipment, and systems and total dollar expenditures, dictates that energy conservation, as it relates to acquisition decisions, be made a matter for management emphasis throughout the Executive Branch. As initial steps, (1) I specifically want this Policy Letter and the regulations cited above to be brought to the attention of those personnel involved in acquisition decisions, and (2) I want to reemphasize the need to conform to both the spirit and intent of these directives.

There are numerous acquisition-related energy conservation opportunities that the Government can pursue in carrying out its day-to-day activities. For example: (1) where energy costs constitute a major portion of the life cycle cost of a product, the energy-efficiency of competing products should be considered in deciding which product to procure; (2) existing heating and air conditioning systems in Government buildings can be made more energy-efficient through the addition of energy-saving components or the replacement of inefficient systems; (3) rail and water transportation systems generally consume less energy in terms of the

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regulations or procedures to ensure procurement of energy-efficient products and services, this also will be done.

I wish to be advised within 90 days of the steps taken or planned by your agency to emphasize and ensure compliance with the spirit and intent of this Policy Letter and implementing regulations. I will disseminate for your consideration those responses which demonstrate the kinds of imaginative and creative thinking required to maximize the potential contribution Federal acquisition decisions can make to the Nation's energy conservation efforts.

This Policy Letter Supplement has been concurred in by the Director of OMB.

Karen Hastie Williams
Administrator

Attachment

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