



PROGRESS &
IMPACT REPORT

**Products
containing
hydrofluoro-
carbons**

CONTRACTS & PROCUREMENT
DIVISION

2022 Legislative Report

Agency Overview

The Department of Enterprise Services' (DES) **mission** is "strengthening the business of government." DES does this through our **vision** of delivering high-quality, cost-effective support services, policy and governance to state government and other public entities so they can focus on their core missions. DES's **values** include respect, integrity, diversity, equity, and inclusion.

DES strengthens the business of government operations in Washington state by providing expertise in:

- **Facilities and capitol grounds:** Providing workplace solutions that enhance our customers' ability to fulfill their missions
- **Acquisitions:** Helping government get the best deal for mission support services
- **Training and support:** Supporting agencies to meet their modern workforce needs
- **Shared services:** Reducing government risk and adding value through stewardship and services.

DES's centralized services include everything from facilities and lease management to accounting, human resources, training, contracting, fleet services and employee assistance program. DES also manages the Capitol Campus, one of the largest in the country.

Tara C. Smith, Director

360-407-9201 | tara.smith@des.wa.gov

Ann Larson, Government Relations Director

360-407-8275 | ann.larson@des.wa.gov

Jaime Rossman, Assistant Director

360-407-9329 | jaime.rossman@des.wa.gov

To request this document in another format, call 360-407-8059. Deaf or hard of hearing customers, please call 711 (Washington Relay Service) or 800-833-6384.

December 1, 2022

The Honorable Reuven Carlyle
Washington State Senate
PO Box 40466
Olympia, WA 98504

The Honorable Joe Fitzgibbon
House of Representatives
PO Box 40600
Olympia, WA 98504

Dear Senator Carlyle and Representative Fitzgibbon:

The Department of Enterprise Services (DES) is pleased to forward the Products Containing Hydrofluorocarbons Progress and Impact Report in accordance with [RCW 39.26.310](#).

This report is available on the [DES publication and reports](#) website.

If you have any questions, concerns, or need additional information, please contact Jaime Rossman, Assistant Director of Contracts and Procurement, at (360) 407-9329 or Jaime.Rossman@des.wa.gov.

Sincerely,



Tara C. Smith
Director

Enclosure

cc: David Schumacher, Director, Office of Financial Management
Ann Larson, Director of Government Relations, Department of Enterprise Services
Jaime Rossman, Assistant Director, Department of Enterprise Services

Contents

- Statutory Directive 1
- Report Highlights.....2
- Implementation Timeline3
- RCW 39.26.310 Work Streams.....4
- Policy Development.....4
- Practical Tools5
- Reporting5
- Training6
- Findings/Results.....7
- Next Steps..... 13
- Appendix A..... 14
- Appendix B..... 14

Statutory Directive

RCW [39.26.310](#) Products Containing Hydrofluorocarbons requires that the Department of Enterprise Services (DES) establish purchasing and procurement policies that provide a preference for products that

- Do not contain Hydrofluorocarbons (HFCs)
- Are not designed to function only in conjunction with high global warming potential HFCs
- Were not manufactured using HFCs

RCW 39.26.310 requires that no agency may knowingly purchase products that are out of compliance with the DES policy for HFCs unless there are no cost-effective and technologically feasible options.

Climate change is a major concern and Washington state seeks to be a responsible steward of public dollars. Agencies shall make every effort to implement RCW 39.26.310 by eliminating spend with products containing HFCs to the best of their ability as well as give preference through procurement to products that do not contain HFCs.

This report covers the actions DES has taken toward implementing RCW 39.26.310 since it became law on July 28, 2019.

Report Highlights

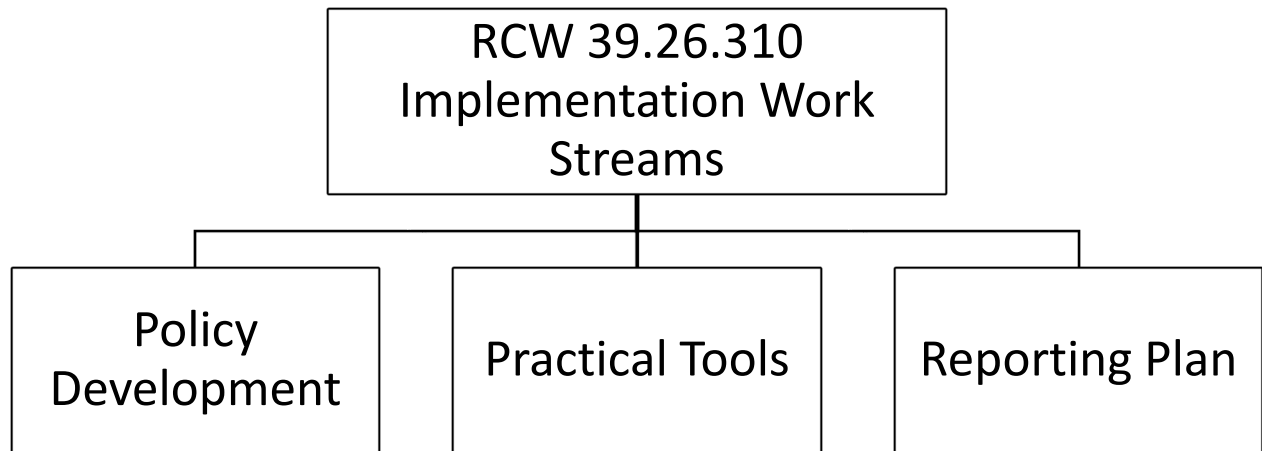
- DES implemented RCW 39.26.310 Products Containing Hydrofluorocarbons in a staged, prioritized manner. Accordingly, our recommendation is to begin with competitive goods and services procurements and consider applying RCW 39.26.310 to other categories of purchases in the future.
- On Aug. 1, 2020, DES established and released Policy Number POL-DES-310-00 Purchasing Preference Products That Do Not Contain Hydrofluorocarbons effective Feb. 1, 2021.
- Since July 28, 2019, when RCW 39.26.310 became law, DES has implemented enhancements within the online system Washington Electronic Business Solutions (WEBS) where agencies are required to post solicitation opportunities to track solicitations with HFC preference language.
- DES has created a [Hydrofluorocarbons \(HFCs\) Environments Preference \(EP\) Desk Aid](#) for agencies to refer to, with
 - HFCs considerations
 - Sample contract language
 - Contact information
- DES implemented HFC training available on the [Washington State Learning Center](#) for all current and new state employees who are responsible for the pre-award process are procurements

Implementation Timeline

The timeline outlines the steps DES took to effectively communicate, collaborate, and create value. We worked directly with agency stakeholders to develop and build operationally efficient tools that drive change and build a viable procurement bridge between customer agencies and innovative vendors.



RCW 39.26.310 Work Streams



DES identified three work streams to accomplish three primary goals:

- **Policy Development:** Establish best practices and consistent application of RCW 39.26.310. This will be a DES procurement policy.
- **Practical Tools:** Practical tools and recommendations for competitive procurements and purchases.
- **Reporting:** A plan to increase the odds of success, keep transaction costs low, and easily measure the impact of RCW 39.26.310.

Policy Development

DES worked alongside stakeholders to identify and develop elements of a procurement policy that enables covered agencies to implement RCW 39.26.310. The policy prescribes that preference should be a minimum of 5% for products that do not contain HFCs or contain HFCs with a comparatively low global warming potential for specified products.

The policy sets the stage and addresses:

- Impacted product categories
- Scope
- Training
- Sample contract language
- Bidder certification environmental preference form

Appendix A is the DES policy that went into effect on Feb. 1, 2021.

Engrossed Second Substitute House Bill (ESSHB) 1050, which amends RCW 39.26.310 requiring DES establish a purchasing and procurement policy that provides a preference for a refrigerant that meets the quality requirements set forth in federal regulations, was passed into law on July 25, 2021. There is no required date that the refrigerant policy goes into effect. Agencies do not need to breach any contract that was established before July 28, 2021. Accordingly, DES has revised the policy to reflect the impacts of ESSHB 1050.

Practical Tools

The objective of the creation of practical tools was to identify and develop common, flexible tools to empower agencies. Ease of implementation is the goal. Solicitation and contract provisions, as well as certification templates, have been created to assist agencies in being successful with the implementation of RCW 39.26.310. The initial focus is on competitive procurements because they offer an opportunity to differentiate contractors, while that opportunity is substantially less for direct buy purchases. The [HFCs Environmental Preference Desk Aid](#) contains the tools developed, with stakeholder collaboration, to choose a contractor.

Reporting

Measuring the effectiveness of RCW 39.26.310 is crucial to determining success. DES will report biannually on the success of RCW 39.26.310 by measuring the number of solicitations containing language addressing the preference. We also measure and report the competitive procurement awards and contractor agreements to the priority as set forth in the solicitation and by the state as reported through the WEBS system.

The lack of a single e-procurement system creates reporting challenges. Taking into consideration that One Washington is underway, DES made modifications to WEBS on July 27, 2020, to capture meaningful metrics around RCW 39.26.310 and will report on behalf of agencies the previously stated metrics.

It is important to note that a significant percentage of spend is through DES's Statewide Contracts and DES will report on the progress as it pertains to agencies' Statewide Contract purchases.

Training

All Washington state employees who were responsible for the pre-award process of procurements were required to complete RCW 39.26.310 HFCs Preference Training by Feb. 1, 2021, when the policy became effective. Employees who are new to these responsibilities are required to take the RCW 39.26.310 HFCs Preference Training within 6 months of taking on those responsibilities. The training and assessment are available on the [Washington State Learning Center](#).

In addition to the RCW 39.26.310 Hydrofluorocarbons Preference Training and assessment available in the Learning Center, a desk aid, a short training video, and the above mentioned tools are always available on the DES [Environmental Procurement Preferences page](#) for all Washington state employees and vendors.

The training materials require minor updates to incorporate the requirements of ESSHB 1050, which was passed into law on July 25, 2021. This work will be coordinated through the policy revision process.

Findings/Results

DES implemented the reporting enhancements in WEBS on July 27, 2020, and the policy went into effect Feb. 1, 2021. With the first iteration of the HFC report, DES provided all available data. The data in this report is not a complete record of FY 21 because the WEBS enhancement went live 27 days into the fiscal year and the policy was effective eight months into the fiscal year. The data is being included to serve as a baseline. Future reports will provide full fiscal year data and comparisons.

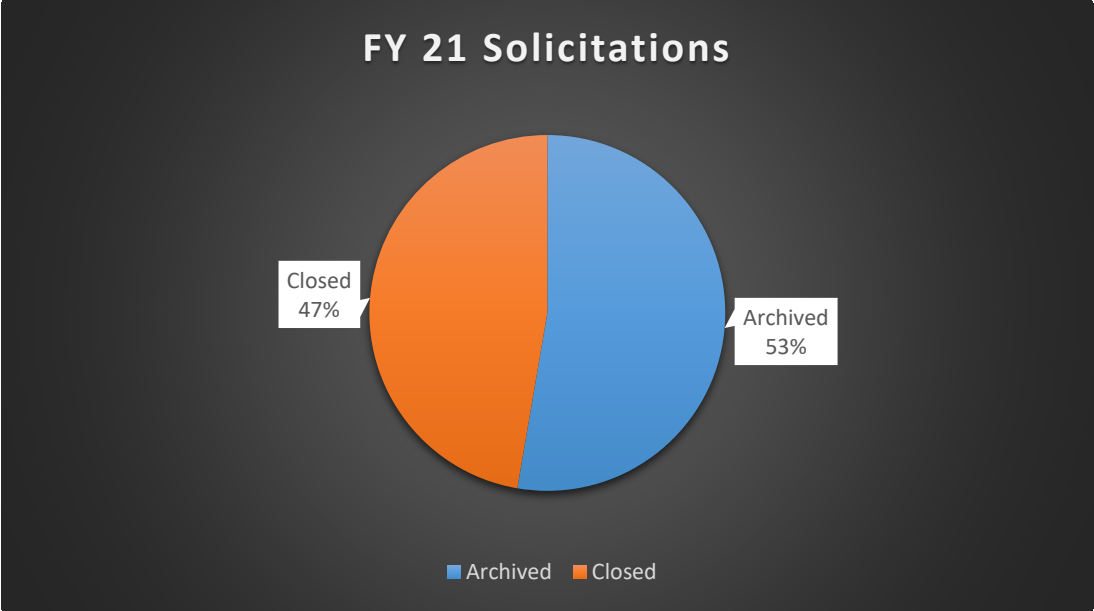
Fiscal Year 21

The table below outlines the total solicitations posted on WEBS between July 27, 2020, and June 30, 2021, compared to how many of those solicitations were identified as having HFCs language.

Total Solicitations (All Agencies) with HFCs Purchasing Preference
(Fiscal Year 21 7/27/2021 – 6/30/2021)

Total Solicitations	Total Goods & Services	Total with Preference	Total Non-Preference
1261	1052	315	737

Of the 315 solicitations posted to WEBS that indicated HFC preference, 53% of these solicitations have been finalized and have awarded vendor(s). There are 47% of solicitations that have not been finalized and awarded vendors have not yet been recorded in WEBS as there is often a significant timeline gap between solicitation posting and recording the final award(s) in WEBS when contracts have been signed. As agencies finalize awards, these numbers will change.



The below table shows based on the 315 solicitations identified as having HFCs preference language, the total vendors responded to the solicitations, and how many vendors were awarded meeting the preference requirement compared to the vendors who do not meet the preference requirement.

Number of Vendors Responded and Awarded by HFCs Purchasing Preference
(Fiscal Year 2 7/27/2021 – 6/30/2021)

Total Vendors Responded to HFCs Solicitations	Total Vendors Awarded with HFCs Preference	Total Vendors Awarded without Meeting HFCs Preference
479	7	176

Of the 479 Vendors that responded to solicitations with the HFC preference only 11 vendors (2%) submitted responses to the solicitations that qualified for the HFC preference. Of the 11 vendors that responded with the preference 7 vendors (64%) were awarded.

Below is a table of the top ten Agencies that posted the most solicitations with the HFC preference for FY 21.

Organization Name	Solicitations with Preference	Vendor Responses without Preference	Vendor Responses with Preference	Vendor Awards without Preference	Vendor Awards with Preference
Fish and Wildlife, Department of	48	97	1	57	1
Parks & Recreation Commission, State	43	19	1	12	1
Natural Resources, Department of	34	79	0	26	0
Transportation, Dept of	32	52	5	27	1
Military Department	16	16	0	2	0
Agriculture, Department of	12	10	1	1	1
Commerce, Dept. of	12	9	0	1	0
Social and Health Services, Department of	12	16	1	2	1
Enterprise Services (DES), Dept. of	11	20	0	18	0
Corrections, Department of	10	2	2	0	2

For more details on all agencies that posted solicitations with the HFC preference please see *Appendix B*.

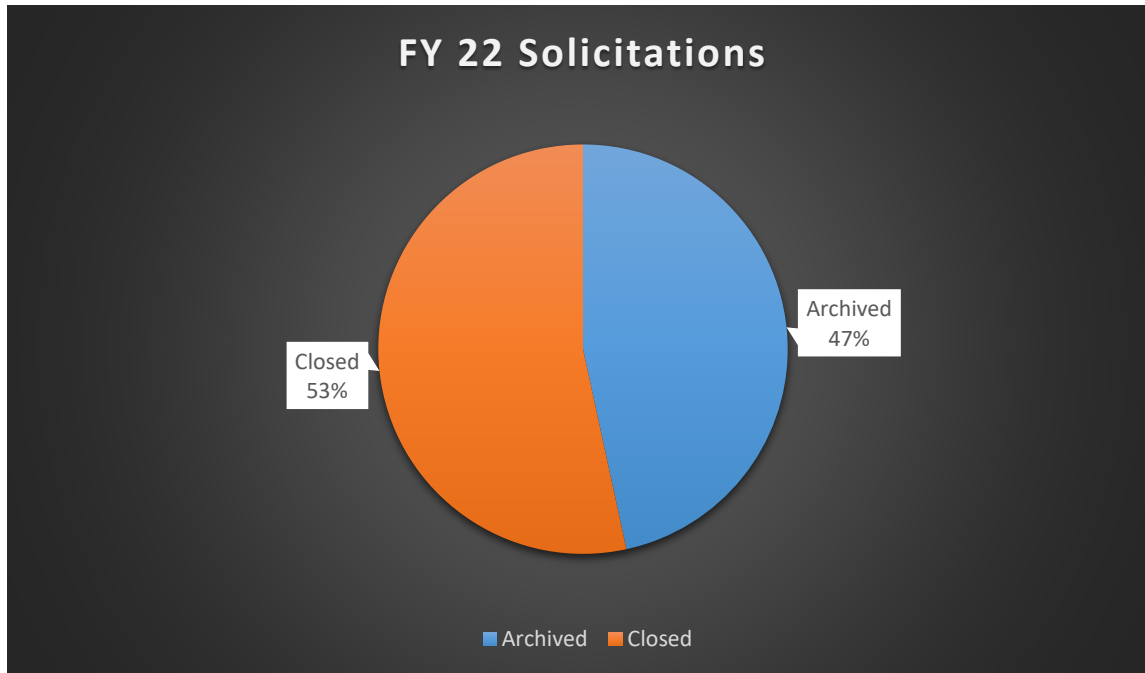
Fiscal Year 22

The table below outlines the total solicitations posted on WEBS between July 1, 2021, and June 30, 2022, compared to how many of those solicitations were identified as having HFCs language.

Total Solicitations (All Agencies) with HFCs Purchasing Preference (Fiscal Year 22 7/1/2021 – 6/30/2022)

Total Solicitations	Total Goods & Services	Total with Preference	Total Non-Preference
1548	1345	397	948

Of the 397 solicitations posted to WEBS that indicated HFC preference, 47% of these solicitations have been finalized and have awarded vendor(s). There are 53% of solicitations that are not finalized, and do not have awarded vendors in WEBS. When those solicitations are finalized with awarded vendors in WEBS, these numbers will alter.



The below table shows based on the 397 solicitations identified as having HFCs preference language, the total vendors responded to the solicitations, and how many vendors were awarded meeting the preference requirement compared to the vendors who do not meet the preference requirement.

Number of Vendors Responded and Awarded by HFCs Purchasing Preference

(Fiscal Year 22 7/1/2021 – 6/30/2022)

Total Vendors Responded to HFCs Solicitations	Total Vendors Awarded with HFCs Preference	Total Vendors Awarded without Meeting HFCs Preference
642	22	179

Of the 642 vendors that responded to solicitations with the HFC preference only 41 vendors (6%) submitted responses to the solicitations that qualified for the HFC preference. Of the 41 vendors that responded with the preference 22 vendors (54%) were awarded. When there are vendors who respond to the solicitation that meet the HFC preference, about half of the time, they are awarded.

Below is a table of the top ten Agencies that posted the most solicitations with the HFC preference for FY 22.

Organization Name	Solicitations with Preference	Vendor Responses without Preference	Vendor Responses with Preference	Vendor Awards without Preference	Vendor Awards with Preference
Natural Resources, Department of	69	100	0	48	0
Fish and Wildlife, Department of	67	67	4	32	4
Commerce, Dept. of	53	43	0	0	0
Transportation, Dept of	43	77	31	25	14
Parks & Recreation Commission, State	30	34	0	3	0
Social and Health Services, Department of	25	93	0	4	0
Agriculture, Department of	18	39	0	22	0
Corrections, Department of	17	30	2	1	2
Enterprise Services (DES), Dept. of	14	11	0	4	0
State Patrol, Washington	10	13	0	0	0

For more details on all agencies that posted solicitations with the HFC preference please see *Appendix B*.

In both FY 21 and FY 22 there are several agencies that are posting a multitude of solicitations with the HFC preference that are receiving little to no response from vendors that can meet the HFC preference requirements. The agencies with the largest amount of HFC preference solicitations are not including the preference in all their solicitations. For example, DNR posted a total of 175 solicitations in FY22, and 69 of those solicitations have the HFC preference; however, no vendor responded to any of those solicitations having met the HFC requirement according to DNR's records in WEBS. It is important to note that it is entirely reasonable for solicitations to not include an HFC preference

. Service contracts are an example of when the HFC preference would not apply. For more details, see *Appendix B*.

Next Steps

Revision to HFCs Policy – To incorporate revisions from HB 1050

Project Schedule

Action	Completion Date
Engage subject matter experts (SME) (Ecology) for technical review	March 2022
Update policy based on HB 1051 and SME input	December 2022
Targeted stakeholder feedback opportunity	January 2023
Finalize policy	February 2023
Update training materials	May 2023
Deploy implementation/communication plan	May 2023
Publish revised policy	June 2023

Appendices

Appendix A

[DES Policy – Purchasing Preference for Products That Do Not Contain Hydrofluorocarbons \(HFCs\)](#)

Appendix B

[HFC Preference Dataset.](#)

