As Reported by the House Public Utilities and Energy Committee

126th General Assembly Regular Session 2005-2006

Sub. H. B. No. 251

Representatives Uecker, Kearns, Raga, McGregor, J., Martin, Schneider, Collier, Wagoner, Bubp, Law, Brown, Williams, Mason, Hagan, Stewart, J., Hartnett

ABILL

То	amend sections 123.011, 125.09, and 125.11 and to	1
	enact section 3345.69 of the Revised Code to	2
	specify certain energy efficiency and conservation	3
	standards relating to facility construction and	4
	leasing that the Office of Energy Services in the	5
	Department of Administrative Services must adopt	6
	and with which state agencies and public schools	7
	must comply unless they meet higher standards;	8
	require certain additional duties, and additional	9
	cooperation between the Office and the Office of	10
	Energy Efficiency of the Department of	11
	Development, relating to state purchasing; require	12
	the Department of Administrative Services to give	13
	preference to procuring products and services that	14
	meet federal energy efficiency guidelines; and	15
	require boards of trustees of state institutions	16
	of higher education to adopt rules to carry out	17
	on- and off-campus building, energy efficiency and	18
	conservation guidelines developed by a committee	19
	of those institutions in consultation with the	20
	Office of Energy Services.	21

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That sections 123.011, 125.09, and 125.11 be	22
amended and section 3345.69 of the Revised Code be enacted to read	23
as follows:	24
Sec. 123.011. (A) There As used in this section:	25
(1) "Construct" includes reconstruct, improve, renovate,	26
enlarge, or otherwise alter.	27
(2) "Energy consumption analysis" means the evaluation of all	28
energy consuming systems, components, and equipment by demand and	29
type of energy, including the internal energy load imposed on a	30
facility by its occupants and the external energy load imposed by	31
climatic conditions.	32
(3) "Energy performance index" means a number describing the	33
energy requirements of a facility per square foot of floor space	34
or per cubic foot of occupied volume as appropriate under defined	35
internal and external ambient conditions over an entire seasonal	36
cycle.	37
(4) "Facility" means a building or other structure, or part	38
of a building or other structure, that includes provision for a	39
heating, refrigeration, ventilation, cooling, lighting, hot water,	40
or other major energy consuming system, component, or equipment.	41
(5) "State funded" means funded in whole or in part through	42
appropriation by the general assembly or through the use of any	43
guarantee provided by this state.	44
(6) "State institution of higher education" has the same	45
meaning as in section 3345.011 of the Revised Code.	46
(B) There is hereby created within the department of	47

Sub. H. B. No. 251 As Reported by the House Public Utilities and Energy Committee	Page 3
administrative services an office to be known as the office of	48
energy services. The office shall be under the supervision of a	49
manager, who shall be appointed by the director of administrative	50
services. The director shall assign to the office $\frac{1}{2}$ such number of	51
employees and furnish <u>such</u> equipment and supplies that the	52
director considers as are necessary for the proper full	53
performance of the office's duties assigned to the office.	54
The office shall develop energy efficiency and conservation	55
programs in each of the following areas:	56
(1) New construction design and review;	57
(2) Existing building audit and retrofit;	58
(3) Energy efficient procurement;	59
(4) Alternate fuel vehicles.	60
The office may accept and administer grants from public and	61
private sources for carrying out any of its duties under this	62
section.	63
(B) In addition to its duties under division (A) of this	64
section, the office shall assist the department in its	65
responsibility for state-owned, assisted, and leased facilities by	66
ensuring that energy conservation goals are observed in the	67
design, construction, renovation, and utilization of these	68
facilities in a manner that will minimize the consumption of	69
energy used in the operation and maintenance of such facilities.	70
This process shall include the use of life-cycle costs, including	71
construction, the costs of operation and maintenance of the	72
facility as it affects energy consumption over the economic life	73
of the facility, and energy consumption analyses of existing	74
facilities in order to determine and require necessary changes in	75
the operation and maintenance of such facilities.	76
As used in this section:	77

(1) "Facility" means a building or other structure that	78
includes provision for a heating or cooling system, or both, or	79
for a hot water system.	80
(2) "State-assisted facility" means a facility constructed or	81
renovated in whole or in part with state or federal funds or with	82
funds guaranteed or provided by or through a state agency.	83
(3) "Energy consumption analysis" means the evaluation of all	84
energy consuming systems and components by demand and type of	85
energy, including the internal energy load imposed on a facility	86
by its occupants, equipment, and components and the external	87
energy load imposed on a facility by climatic conditions.	88
(4) "Energy performance index" means a number describing the	89
energy requirements of a facility per square foot of floor space	90
or per cubic foot of occupied volume as appropriate under defined	91
internal and external ambient conditions over an entire seasonal	92
cycle.	93
(5) "Life-cycle costs" means the cost of owning, operating,	94
and maintaining a facility over the life of the structure. This	95
may be expressed as an annual cost for each year of the facility's	96
use.	97
(C) No state agency, department, division, bureau, office,	98
unit, board, commission, authority, quasi-governmental entity, or	99
institution, including those agencies otherwise excluded from the	100
jurisdiction of the department under division (A)(3) of section	101
123.01 of the Revised Code, and no public school shall lease,	102
construct, or have cause to be leased or constructed, within the	103
limits prescribed in this section, a state-funded facility,	104
without having secured from the office a proper evaluation of	105
life-cycle costs <u>cost analysis</u> or, in the case of a lease, an	106
energy consumption analysis, as computed or prepared by a	107
qualified architect or engineer in accordance with the rules	108

Sub. H. B. No. 251 As Reported by the House Public Utilities and Energy Committee	Page 6
this state, the office shall promulgate adopt rules and	141
procedures, including energy conservation performance guidelines,	142
for conducting a life-cycle cost analysis of alternative	143
architectural and engineering designs and for developing energy	144
performance indices to evaluate the efficiency of energy	145
utilization of competing designs in the construction of	146
state-financed and leased facilities. The rules and procedures	147
shall take effect February 3, 1979.	148
The specifying cost-effective, energy efficiency and	149
conservation standards that shall govern the lease, design,	150
construction, operation, and maintenance of all state-funded	151
facilities excepting facilities of state institutions of higher	152
education. The office of energy efficiency in the department of	153
development shall cooperate in providing information and technical	154
expertise to the office of energy services to ensure adoption of	155
rules of maximum effectiveness. Initial rules shall be adopted not	156
later than nine months after the effective date of this amendment.	157
The standards prescribed by rules adopted under this division may	158
draw from or incorporate, by reference or otherwise and in whole	159
or in part, standards already developed or implemented by any	160
competent, public or private standards organization or program.	161
However, the rules also shall include all of the following:	162
(1) Specification of an energy efficiency design standard for	163
heating, refrigeration, and air conditioning systems, components,	164
and equipment in state-funded facilities excepting facilities of	165
state institutions of higher education, that is twenty per cent	166
above the applicable standard specified in the American society of	167
heating, refrigerating, and air-conditioning engineers handbook,	168
as the ASHRAE standard varies from time to time, as well as a	169
requirement that any such state-funded facility adhere to that	170
standard;	171
(2) Specifications for a life-cycle cost analysis that shall	172

Sub. H. B. No. 251 As Reported by the House Public Utilities and Energy Committee	Page 7
determine the reasonably expected fuel costs over, for the	173
economic life of the building that are required to maintain	174
illumination, power, temperature, humidity, ventilation such	175
state-funded facility, and all other energy consuming equipment in	176
a facility and the reasonable reasonably expected costs of	177
probable facility ownership, operation, and maintenance including	178
labor, and materials, and building operation. The life-cycle cost	179
analysis shall include, but not be limited Life-cycle cost may be	180
expressed as an annual cost for each year of the facility's use.	181
Further, the life-cycle cost analysis shall demonstrate for each	182
design how the design contributes to energy efficiency and	183
conservation with respect to, all of the following:	184
$\frac{(1)(a)}{(a)}$ The coordination, orientation, and positioning of the	185
facility on its physical site;	186
$\frac{(2)(b)}{(b)}$ The amount and type of glass employed in the facility	187
and the directions of exposure;	188
$\frac{(3)(c)}{(c)}$ Thermal characteristics of materials, including the	189
effect of insulation incorporated into facility design, including	190
<pre>insulation;</pre>	191
$\frac{(4)(d)}{(d)}$ Architectural features which that affect energy	192
consumption, including the effect of solar utilization of the	193
absorption and reflection properties of external surfaces;	194
$\frac{(5)(e)}{(e)}$ The variable occupancy and operating conditions of the	195
facility and subportions portions of the facility, including	196
illumination levels;	197
(6) An (f) Any other pertinent, physical characteristics of	198
the design.	199
A life-cycle cost analysis additionally shall include an	200
energy consumption analysis that conforms to division (D)(3) of	201
this section.	202

(3) Specifications for an energy consumption analysis of the	203
facility's heating, refrigeration, ventilation, cooling, lighting,	204
hot water, and other major equipment of the facility's heating,	205
ventilating, and cooling system, lighting system, hot water	206
system, and all other, energy consuming systems, components, and	207
equipment as appropriate . This analysis shall include <u>both of the</u>	208
following:	209
(a) The comparison of two or more system alternatives, one of	210
which may be a system using solar energy;	211
(b) The projection of the annual energy consumption of those	212
major energy consuming systems, components, and equipment and	213
systems, for a range of operation of the facility over the	214
economic life of the facility+	215
(c) An evaluation of the energy consumption of component	216
equipment in each system, and considering the their operation of	217
such components at other than full or rated outputs.	218
The rules A life-cycle cost analysis and energy consumption	219
analysis shall be based on the best currently available methods of	220
analyses analysis, including those of the national bureau of	221
standards, the department of housing and urban development, $\underline{\text{or}}$	222
other federal agencies and professional societies, and materials	223
<u>directions</u> developed by the department.	224
The office shall promulgate rules (4) Specifications for	225
energy performance indices, as defined in division (B)(4) of this	226
section, to be used to audit and evaluate competing design	227
proposals submitted to the state.	228
(5) An application process by which a project manager, as to	229
a specified state-funded facility excepting a facility of a state	230
institution of higher education, may apply for a waiver of	231
compliance with any provision of the rules required by divisions	232
(D)(1) to (4) of this section, provided that the application shall	233

Page 9

be accompanied by a written explanation and documentation of how	234
the facility will meet energy efficiency and conservation	235
standards that exceed applicable standards prescribed in the	236
rules. The office shall notify the applicant within thirty days	237
after the date of the application's filing if more supporting	238
information is desired. Unless, within thirty days after the date	239
of the application's filing or thirty days after the date that a	240
later information request is sent, the office notifies the	241
applicant that the waiver is denied, the waiver shall be deemed	242
approved.	243
(6) A requirement that, not later than two years after the	244
effective date of this amendment, each state-funded facility	245
excepting a facility of a state institution of higher education is	246
managed by at least one building operator certified under the	247
building operator certification program or any equivalent program	248
or standards as shall be prescribed in the rules and considered	249
reasonably equivalent. Nothing in division (D)(6) of this section	250
precludes such a building operator from managing more than one	251
state-funded facility.	252
(E) The office shall conduct studies of the state's purchase	253
and use of supplies, automobiles, and equipment having a	254
significant impact on energy use by government, in order to	255
determine the potential for energy conservation. The department of	256
development shall advise the office on the state of the art of	257
energy efficiency, both generally and with reference to the cost	258
of various levels of energy efficiency. The office of energy	259
services shall promulgate adopt rules to ensure that energy	260
efficiency and conservation will be considered in state purchasing	261
the purchase of products and equipment, excepting motor vehicles,	262
by any state agency, department, division, bureau, office, unit,	263
board, commission, authority, quasi-governmental entity, or	264
<u>institution</u> . Minimum energy efficiency standards on <u>for</u> purchased	265

policies and procedures supportive of energy efficiency and

296

Page 11

conservation.	297
(F)(1) The office of energy services shall require all	298
departments, state agencies, state institutions, universities,	299
colleges departments, divisions, bureaus, offices, units,	300
commissions, boards, authorities, commissions, boards, and	301
quasi-governmental entities, institutions, and state institutions	302
of higher education to implement procedures ensuring that all	303
their passenger automobiles acquired in each fiscal year, except	304
for those passenger automobiles acquired for use in law	305
enforcement or emergency rescue work, achieve a fleet average fuel	306
economy of not less than twenty miles per gallon in fiscal year	307
1979, not less than twenty-one miles per gallon in fiscal year	308
1980, and, in each fiscal year thereafter, not less than the fleet	309
average fuel economy prescribed, by rule, by the office for that	310
fiscal year in accordance with this division.	311
Prior as shall be prescribed by rule adopted by the office	312
prior to the beginning of fiscal year 1981 and each the fiscal	313
year thereafter, the office shall adopt rules prescribing the	314
fleet average fuel economy all passenger automobiles acquired by	315
all departments, agencies, state institutions, universities,	316
colleges, authorities, commissions, boards, and quasi-governmental	317
entities of state government during the fiscal year covered by the	318
rules must achieve, except for those passenger automobiles	319
acquired for use in law enforcement or emergency rescue work.	320
These rules shall not be less stringent than the average fuel	321
economy standards established pursuant to federal law for	322
passenger automobiles manufactured during the model year that	323
begins during the fiscal year.	324
(1)(2) Each department, state agency, state institution,	325
university, college department, division, bureau, office, unit,	326
commission, board, authority, commission, board, and	327
quasi-governmental entity of state government, institution, and	328

Sub. H. B. No. 251 As Reported by the House Public Utilities and Energy Committee	Page 12
state institution of higher education shall determine its fleet	329
average fuel economy by dividing:	330
(a) The total number of passenger vehicles acquired during	331
the fiscal year, except for those passenger vehicles acquired for	332
use in law enforcement or emergency rescue work, by	333
(b) A sum of terms, each of which is a fraction created by	334
dividing:	335
(i) The number of passenger vehicles of a given make, model,	336
and year, except for passenger vehicles acquired for use in law	337
enforcement or emergency rescue work, acquired during the fiscal	338
year, by	339
(ii) The fuel economy measured by the administrator of the	340
United States environmental protection agency, for the given make,	341
model, and year of vehicle, that constitutes an average fuel	342
economy for combined city and highway driving.	343
$\frac{(2)}{(2)}$ As used in division $(F)\frac{(1)}{(2)}$ of this section, "acquired"	344
means leased for a period of sixty continuous days or more, or	345
purchased.	346
(G) Each state agency, department, division, bureau, office,	347
unit, board, commission, authority, quasi-governmental entity,	348
institution, state institution of higher education, and public	349
school shall comply with any applicable provision of this section	350
or of a rule adopted pursuant to division (D) or (F) of this	351
section.	352
Sec. 125.09. (A) Pursuant to section 125.07 of the Revised	353
Code, the department of administrative services may prescribe such	354
conditions under which competitive sealed bids will be received	355
and terms of the proposed purchase as it considers necessary;	356
provided, that all such conditions and terms shall be reasonable	357
and shall not unreasonably restrict competition, and bidders may	358

As Reported by the House Public Utilities and Energy Committee	
bid upon all or any item of the supplies or services listed in	359
such the notice. Those bidders claiming the preference for United	360
States and Ohio products outlined in this chapter shall designate	361
in their bids either that the product to be supplied is an Ohio	362
product or that, under the rules established by the director of	363
administrative services, they qualify as having a significant Ohio	364
economic presence.	365
(B) The department $\frac{may}{may}$ shall require that each bidder provide	366
sufficient information about the energy efficiency or energy usage	367
of the bidder's product or service, including whether the product	368
or service meets the energy efficiency guidelines set by the	369
United States environmental protection agency and department of	370
energy.	371
(C) The director of administrative services shall, by rule	372
adopted pursuant to Chapter 119. of the Revised Code, shall	373
prescribe criteria and procedures for use by all state agencies in	374
giving preference to United States and Ohio products as required	375
by division (B) of section 125.11 of the Revised Code. The rules	376
shall extend to <u>all of the following</u> :	377
(1) Criteria for determining that a product is produced or	378
mined in the United States rather than in another country or	379
territory;	380
(2) Criteria for determining that a product is produced or	381
mined in Ohio;	382
(3) Information to be submitted by bidders as to the nature	383
of a product and the location where it is produced or mined;	384
(4) Criteria and procedures to be used by the director to	385
qualify bidders located in states bordering Ohio this state who	386
might otherwise be excluded from being awarded a contract by	387
operation of this section and section 125.11 of the Revised Code.	388
The criteria and procedures shall recognize the level and	389

401

402

403

404

405

406

407

408

390 regularity of interstate commerce between Ohio this state and the border states and provide that the non-Ohio businesses may qualify 391 for award of a contract as long as they are located in a state 392 that imposes no greater restrictions than are contained in this 393 section and section 125.11 of the Revised Code upon persons 394 located in Ohio this state who are selling products or services to 395 agencies of that state. The criteria and procedures shall also 396 shall provide that a non-Ohio business shall not bid on a contract 397 for state printing in this state if the business is located in a 398 state that excludes Ohio businesses from bidding on state printing 399 contracts in that state. 400

- bidder whose manufactured products, except for mined products, are produced in other states or in North America, but the bidders have bidder has a significant Ohio economic presence in terms of the number of employees or capital investment a the bidder has in this state. Bidders with a significant Ohio economic presence shall qualify for award of a contract on the same basis as if their products were produced in this state.
- (6) Criteria and procedures for the director to grant waivers
 of the requirements of division (B) of section 125.11 of the
 Revised Code on a contract-by-contract basis where compliance with
 those requirements would result in the state agency paying an
 excessive price for the product or acquiring a disproportionately
 inferior product;
 414
- (7) Such other Other requirements or procedures reasonably

 necessary to implement the system of preferences established

 pursuant to division (B) of section 125.11 of the Revised Code.

 415

In adopting the rules required under this division, the 418 director shall, to the maximum extent possible, shall conform to 419 the requirements of the federal "Buy America Act," 47 Stat. 1520, 420 (1933), 41 U.S.C.A. 10a-10d, as amended, and to the regulations 421

As Reported by the House Public Utilities and Energy Committee	
adopted thereunder under that act.	422
Sec. 125.11. (A) Subject to division divisions (A)(2) and (3)	423
and (B) of this section, contracts awarded pursuant to a reverse	424
auction under section 125.072 of the Revised Code or pursuant to	425
competitive sealed bidding, including contracts awarded under	426
section 125.081 of the Revised Code, shall be awarded to the	427
lowest responsive and responsible bidder on each item in	428
accordance with section 9.312 of the Revised Code. When	429
(2) After applying division (B) of this section, when	430
applicable, the department of administrative services shall give	431
preference to lowest responsive and responsible bidders whose	432
product or service meets the energy efficiency guidelines set by	433
the United States environmental protection agency and department	434
of energy. And, when the contract is for meat products as defined	435
in section 918.01 of the Revised Code or poultry products as	436
defined in section 918.21 of the Revised Code, only those bids	437
received from vendors offering products from establishments on the	438
current list of meat and poultry vendors established and	439
maintained by the director of administrative services under	440
section 125.17 of the Revised Code shall be eligible for	441
acceptance. The	442
(3) The department of administrative services may accept or	443
reject any or all bids in whole or by items, except that when the	444
contract is for services or products available from a qualified	445
nonprofit agency pursuant to sections 125.60 to 125.6012 or	446
4115.31 to 4115.35 of the Revised Code, the contract shall be	447
awarded to that agency.	448
(B) Prior to awarding a contract for products under division	449
(A) of this section, the department of administrative services or	450
the state agency responsible for evaluating a contract for the	451
purchase of products shall evaluate the bids received according to	452

the criteria and procedures established pursuant to divisions	453
(C)(1) and (2) of section 125.09 of the Revised Code for	454
determining if a product is produced or mined in the United States	455
and if a product is produced or mined in this state. The	456
department or other state agency shall first remove bids that	457
offer products that have not been or that will not be produced or	458
mined in the United States. From among the remaining bids <u>and</u>	459
subject to divisions (A)(2) and (3) of this section, the	460
department or other state agency shall select the lowest	461
responsive and responsible bid, in accordance with section 9.312	462
of the Revised Code, from among the bids that offer products that	463
have been produced or mined in this state where sufficient	464
competition can be generated within this state to ensure that	465
compliance with these requirements will not result in an excessive	466
price for the product or acquiring a disproportionately inferior	467
product. If there are two or more qualified bids that offer	468
products that have been produced or mined in this state, it shall	469
be deemed that there is sufficient competition to prevent an	470
excessive price for the product or the acquiring of a	471
disproportionately inferior product.	472

- (C) Division (B) of this section applies to contracts for 473 which competitive bidding is waived by the controlling board. 474
- (D) Division (B) of this section does not apply to the 475 purchase by the division of liquor control of spirituous liquor. 476
- (E) The director of administrative services shall publish in 477 the form of a model act for use by counties, townships, municipal 478 corporations, or any other political subdivision described in 479 division (B) of section 125.04 of the Revised Code, a system of 480 preferences for products mined and produced in this state and in 481 the United States and for Ohio-based contractors. The model act 482 shall reflect substantial equivalence to the system of preferences 483 in purchasing and public improvement contracting procedures under 484

Sub. H. B. No. 251 As Reported by the House Public Utilities and Energy Committee	Page 18
committee to carry out this section. The committee shall be	515
comprised of the presidents of the state institutions of higher	516
education or their designees. The committee, in consultation with	517
the office of energy services of the department of administrative	518
services, shall develop guidelines for the board of trustees of	519
each state institution of higher education to use in ensuring	520
energy efficiency and conservation in on- and off-campus	521
buildings. Initial quidelines shall be adopted not later than	522
March 31, 2006. At a minimum, quidelines under this section shall	523
do all of the following:	524
(1) Include a goal to reduce on- and off-campus building	525
energy expenditures by at least twenty per cent by 2014, using	526
calendar year 2004 as the benchmark year, while recognizing the	527
diverse nature and different energy demands and uses of such	528
buildings and measures already taken to increase building energy	529
<pre>efficiency and conservation;</pre>	530
(2) Prescribe minimum energy efficiency and conservation	531
standards for any new, on- or off-campus capital improvement	532
project with a construction cost of one hundred thousand dollars	533
or more, which standards shall be based on general building type	534
and cost-effectiveness;	535
(3) Prescribe minimum energy efficiency and conservation	536
standards for the leasing of an off-campus space of at least	537
<pre>twenty-thousand square feet;</pre>	538
(4) Incorporate best practices into energy efficiency and	539
conservation standards and plans;	540
(5) Provide that each board develop its own fifteen-year plan	541
for phasing-in energy efficiency and conservation projects;	542
(6) Provide that project impact assessments include the	543
fiscal effects of energy efficiency and conservation	544
recommendations and plans;	545

Sub. H. B. No. 251 As Reported by the House Public Utilities and Energy Committee	Page 19
(7) Establish mechanisms for each board to report	546
periodically to the committee on its progress relative to the	547
guidelines.	548
(C) The board of trustees of a state institution of higher	549
education shall adopt rules under section 111.15 of the Revised	550
Code to carry out the guidelines established pursuant to division	551
(B) of this section, including in the execution of the board's	552
authority under sections 3345.62 to 3345.66 of the Revised Code.	553
Section 2. That existing sections 123.011, 125.09, and 125.11	554
of the Revised Code are hereby repealed.	555
Section 3. Within 60 days after the effective date of this	556
act, the Director of Administrative Services shall review the	557
current operation of the Office of Energy Services and ensure that	558
staffing levels and equipment and supplies are sufficient for the	559
office to fully perform its duties under the act.	560