



U.S. Department of Energy  
**Energy Efficiency  
and Renewable Energy**

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Building Technologies Program

# **~Bay Area Purchasing Pilot~** *Encouraging Bulk Purchasing in Affordable Multifamily Housing*

2005 National ENERGY STAR Lighting Partner Meeting

April 6, 2005

Las Vegas, NV



# Project basics

- Goal: To assist a multifamily affordable housing provider in the bulk purchase of ENERGY STAR refrigerators.
- Project duration: Aug. 2003-July 2004
- Where: Tenderloin Neighborhood Development Corporation (TNDC), San Francisco, CA
- Worked with: Greg Walker, Facilities Manager of 15 affordable housing properties



# Challenges and an Opportunity

- Lack of staff knowledge
- Piecemeal replacement
- Budget disconnect
- Decisions based on lowest first cost and “what we’ve always done.”

**Identifying energy and cost savings through life-cycle costing and bulk purchases creates both a larger initial commitment and future opportunity.**



# Steps and Lessons Learned

Step 1: Found a champion and opportunity in planned renovations

- Identify supportive decision makers
- Timing is critical
- Willing to consider the jump when they already “have to do” something



# Steps and Lessons Learned

Step 2: Collected current appliance information and identified needs

- Learning curve can be steep
- Energy not necessarily first priority
- Patience is needed



# Steps and Lessons Learned

Step 3: Life-cycle cost comparison completed with ENERGY STAR tool

- Simplicity and \$ savings speak volumes
- Delivery & Disposal costs also important
- Bulk purchase is key due to the tendency towards first-cost thinking



# Steps and Lessons Learned

Step 4: Made final recommendations

- Change procurement policies
- Use life-cycle costing
- Institute a bulk purchase agreement

**Bottom Line: Once providers have the information and a successful experience, they will make the choice to use ENERGY STAR.**



# Potential Opportunities

- Weatherization agencies
- HUD and other affordable housing providers
- Market rate multifamily properties
- Other buying groups such as schools, state agencies, etc...



# A final note

From HUD Super NOFA, March 21, 2005:

Applicants...are urged especially to purchase and use products that display the Energy Star label...

Applicants are encouraged to undertake program activities that include...utilizing Energy Star-designated products in the construction or rehabilitation of housing units, and replacing worn products or facilities such as light bulbs...with Energy Star products to reduce operating costs.



# Contact Information

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