



*Colorado Legislative Council Staff Fiscal Note*

**NO FISCAL IMPACT**

---

**Drafting Number:** LLS 07-0562**Date:** February 12, 2007**Prime Sponsor(s):** Rep. Kefalas**Bill Status:** House SVMA**Fiscal Analyst:** Chris Ward (303-866-5834)

---

**TITLE:** CONCERNING A PREFERENCE FOR THE PURCHASE OF ENVIRONMENTALLY PREFERABLE PRODUCTS BY GOVERNMENTAL ENTITIES.

**Summary of Assessment**

This bill requires governmental entities in Colorado to purchase "environmentally preferable" products or services when certain conditions are met. The purchasing preference applies to products and services that have a lesser or reduced effect on human health and the environment than comparable competing products. Agencies can accept bids for environmentally preferable products or services that cost up to 5 percent more than the lowest bid. But, higher bids are also allowed if a life cycle analysis shows that purchasing the environmentally preferable products or services will result in long-term savings. In addition, each purchasing agency must ensure that the purchase can be accommodated within an agency's existing budget. Any agency that spends over five percent more for an environmentally preferable product or service must report to the Joint Budget Committee the results of any life-cycle cost analysis used to justify the purchase.

The bill takes effect August 8, 2007, assuming the General Assembly adjourns on May 9, 2007, as scheduled and no referendum petition is filed.

Some purchases by state agencies will be affected by the new preference for environmentally preferable products and services, but no significant increase in state expenditures is expected. This fiscal note assumes that agencies will only choose environmentally preferable products or services when the purchase can be accommodated within existing appropriations. Thus, the bill is assessed as having no fiscal impact.

**Departments Contacted**

All Departments