

SENATE FILE 2125
BY COMMITTEE ON NATURAL
RESOURCES AND ENVIRONMENT

(SUCCESSOR TO SSB 2057)

Passed Senate, Date (p.336) 2/18/95 Passed House, Date (p.1253) 4-3-98
Vote: Ayes 48 Nays 0 Vote: Ayes 95 Nays 0
Approved April 13, 1998

A BILL FOR

1 An Act providing for the purchase of biodegradable hydraulic
2 fluids manufactured from soybeans by state agencies.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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S.F. 2185

1 Section 1. Section 18.6, subsection 13, Code 1997, is
2 amended to read as follows:

3 13. The director shall review and, where necessary, revise
4 specifications used by state agencies to procure products in
5 order to ensure that all of the following occur:

6 a. The procurement of products containing recovered
7 materials, including but not limited to lubricating oils,
8 retread tires, building insulation materials, and recovered
9 materials from waste tires ~~to ensure that the specifications~~
10 ~~allow the procurement of items containing recovered materials.~~
11 Specifications The specifications shall be revised if they
12 restrict the use of alternative materials, exclude recovered
13 materials, or require performance standards which exclude
14 ~~items~~ products containing recovered materials unless the
15 agency seeking the ~~item~~ product can document that the use of
16 recovered materials will hamper the intended use of the ~~item~~
17 product.

18 b. The procurement of biodegradable hydraulic fluids in
19 accordance with the requirements of section 18.22.

20 Sec. 2. Section 18.22, Code 1997, is amended by adding the
21 following new subsection:

22 NEW SUBSECTION. 4. Provide that when purchasing hydraulic
23 fluids, the department or a state agency authorized by the
24 department to directly purchase hydraulic fluids shall give
25 preference to purchasing biodegradable hydraulic fluids
26 manufactured from soybeans.

27 The department or state agency purchasing the hydraulic
28 fluid shall purchase biodegradable hydraulic fluid, if both of
29 the following apply:

30 a. The purchase is within the purchasing budget of the
31 department or a state agency.

32 b. The use of biodegradable hydraulic fluid in the
33 equipment operated by the department or state agency is
34 consistent with the manufacturer's specifications for the
35 equipment.

1 c. The department shall provide for the implementation of
2 requirements necessary in order to carry out this subsection
3 by the department or state agency making the purchase, which
4 shall include all of the following:

5 (1) Including the preference requirements in publications
6 used to solicit bids for hydraulic fluids.

7 (2) Describing the preference requirements at bidders'
8 conferences in which bids for the sale of hydraulic fluids are
9 sought by the department or authorized state agency.

10 (3) Discussing the preference requirements in procurement
11 solicitations or invitations to bid for hydraulic fluids.

12 (4) Informing industry trade associations about the
13 preference requirements.

14 Sec. 3. Section 216B.3, subsection 17, Code 1997, is
15 amended to read as follows:

16 17. Comply with the requirements for the purchase of
17 lubricating oils, and industrial oils, and hydraulic fluids as
18 established pursuant to section 18.22.

19 Sec. 4. NEW SECTION. 260C.19B PURCHASE OF BIODEGRADABLE
20 HYDRAULIC FLUIDS.

21 Hydraulic fluids purchased by or used under the direction
22 of the board of directors to provide services to a merged area
23 shall be purchased in compliance with the preference
24 requirements for purchasing biodegradable hydraulic fluids as
25 provided pursuant to section 18.22.

26 Sec. 5. NEW SECTION. 262.25B PURCHASE OF BIODEGRADABLE
27 HYDRAULIC FLUIDS.

28 The state board of regents and institutions under the
29 control of the board purchasing hydraulic fluids shall give
30 preference to purchasing biodegradable hydraulic fluids as
31 provided in section 18.22.

32 Sec. 6. Section 307.21, subsection 4, paragraph b,
33 subparagraph (4), Code 1997, is amended to read as follows:

34 (4) Comply with the requirements for the purchase of
35 lubricating oils, and industrial oils, and hydraulic fluids as

1 established pursuant to section 18.22.

2 Sec. 7. NEW SECTION. 904.312B PURCHASE OF BIODEGRADABLE
3 HYDRAULIC FLUIDS.

4 The department when purchasing hydraulic fluids shall give
5 preference to purchasing biodegradable hydraulic fluids as
6 provided in section 18.22.

7 EXPLANATION

8 This bill provides that when purchasing hydraulic fluids,
9 state agencies must give a preference to purchasing
10 biodegradable hydraulic fluids manufactured from soybeans to
11 the extent that the purchase is within their purchasing
12 budgets and is consistent with manufacturer's specifications.
13 The state agencies affected include the department of general
14 services and agencies purchasing through that department, the
15 department for the blind, community colleges, institutions
16 under the direction of the state board of regents, the
17 department of transportation, and the Iowa department of
18 corrections.

19 In carrying out this requirement, the affected state agency
20 must include the preference requirements in publications used
21 to solicit bids for hydraulic fluids, describe the preference
22 requirements at bidders' conferences in which bids for the
23 sale of hydraulic fluids are sought, discuss the preference
24 requirements in procurement solicitations or invitations to
25 bid for hydraulic fluids, and inform industry trade
26 associations about the preference requirements.

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SENATE FILE 2185
FISCAL NOTE

A fiscal note for Senate File 2185 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

Senate File 2185 encourages State agencies to purchase hydraulic oil made from soybeans.

BACKGROUND

A soybean hydraulic oil prototype was introduced in 1995, by the Ag-Based Industrial Lubricants Research Program at the University of Northern Iowa. The product was introduced to the market in July 1997. The soybean oil has been field tested in a number of pieces of equipment over the past two years in applications which include rail car movers, heavy equipment and elevators, automated garbage trucks, and non-defense equipment.

ASSUMPTIONS

<u>Type of Hydraulic Oil</u>	<u>Price per Gallon</u>
Single grade petroleum	\$ 1.50 to \$2.00
High quality single grade petroleum	\$ 2.00 to \$4.00
Multi-grade petroleum (comparable to soybean)	\$ 4.00 to \$5.00
Soybean	\$10.75
Canola (biodegradable)	\$13.50

FISCAL IMPACT

The estimated fiscal impact of Senate File 2185 is an increase of \$6.25 per gallon for the purchase of soybean hydraulic oil. Of the State agencies surveyed, the Department of Transportation estimated an increase in cost of \$94,100 for the use of soybean hydraulic oil and the Iowa Board of Regents estimated an increase in cost of \$9,487.

The initial purchase price of soybean oil is higher than petroleum. However, clean up costs from a spill are lower. It was estimated that one gallon of petroleum hydraulic oil would saturate 7.50 tons of top soil and one gallon of soybean hydraulic oil would saturate 1.88 tons of top soil. The average cost per ton to remediate the soil is \$70.

SOURCES

University of Northern Iowa, Ag-Based Industrial Lubricants Research Program
Departments of Transportation, General Services, Corrections, Blind
Iowa Board of Regents
Iowa Association of Community Colleges Trustees

(LSB 3656SV, DFK)

Bartz
McLaren
Black

SSB 2057
Natural Resources
Sub
SF/HF 2185

SENATE FILE
BY (PROPOSED COMMITTEE ON
NATURAL RESOURCES AND
ENVIRONMENT BY CHAIR-
PERSON BARTZ)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

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28 fluid shall purchase biodegradable hydraulic fluid, if both of
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31 department or a state agency.

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33 equipment operated by the department or state agency is
34 consistent with the manufacturer's specifications for the
35 equipment.

1 c. The department shall provide for the implementation of
2 requirements necessary in order carry out this subsection by
3 the department or state agency making the purchase, which
4 shall include all of the following:

5 (1) Including the preference requirements in publications
6 used to solicit bids for hydraulic fluids.

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8 conferences in which bids for the sale of hydraulic fluids are
9 sought by the department or authorized state agency.

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13 preference requirements.

14 Sec. 3. Section 216B.3, subsection 17, Code 1997, is
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19 Sec. 4. NEW SECTION. 260C.19B PURCHASE OF BIODEGRADABLE
20 HYDRAULIC FLUIDS.

21 Hydraulic fluids purchased by or used under the direction
22 of the board of directors to provide services to a merged area
23 shall be purchased in compliance with the preference
24 requirements for purchasing biodegradable hydraulic fluids as
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26 Sec. 5. NEW SECTION. 262.25B PURCHASE OF BIODEGRADABLE
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SENATE FILE 2185

AN ACT

PROVIDING FOR THE PURCHASE OF BIODEGRADABLE HYDRAULIC FLUIDS
MANUFACTURED FROM SOYBEANS BY STATE AGENCIES.

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

Section 1. Section 18.6, subsection 13, Code 1997, is amended to read as follows:

13. The director shall review and, where necessary, revise specifications used by state agencies to procure products in order to ensure that all of the following occur:

a. The procurement of products containing recovered materials, including but not limited to lubricating oils, retread tires, building insulation materials, and recovered materials from waste tires ~~to ensure that the specifications allow the procurement of items containing recovered materials.~~ Specifications ~~The specifications~~ shall be revised if they restrict the use of alternative materials, exclude recovered materials, or require performance standards which exclude items products containing recovered materials unless the agency seeking the item product can document that the use of recovered materials will hamper the intended use of the item product.

b. The procurement of biodegradable hydraulic fluids in accordance with the requirements of section 18.22.

Sec. 2. Section 18.22, Code 1997, is amended by adding the following new subsection:

NEW SUBSECTION. 4. Provide that when purchasing hydraulic fluids, the department or a state agency authorized by the department to directly purchase hydraulic fluids shall give preference to purchasing biodegradable hydraulic fluids manufactured from soybeans.

The department or state agency purchasing the hydraulic fluid shall purchase biodegradable hydraulic fluid, if both of the following apply:

a. The purchase is within the purchasing budget of the department or a state agency.

b. The use of biodegradable hydraulic fluid in the equipment operated by the department or state agency is consistent with the manufacturer's specifications for the equipment.

c. The department shall provide for the implementation of requirements necessary in order to carry out this subsection by the department or state agency making the purchase, which shall include all of the following:

(1) Including the preference requirements in publications used to solicit bids for hydraulic fluids.

(2) Describing the preference requirements at bidders' conferences in which bids for the sale of hydraulic fluids are sought by the department or authorized state agency.

(3) Discussing the preference requirements in procurement solicitations or invitations to bid for hydraulic fluids.

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Sec. 4. NEW SECTION. 260C.19B PURCHASE OF BIODEGRADABLE HYDRAULIC FLUIDS.

Hydraulic fluids purchased by or used under the direction of the board of directors to provide services to a merged area shall be purchased in compliance with the preference requirements for purchasing biodegradable hydraulic fluids as provided pursuant to section 18.22.

Sec. 5. NEW SECTION. 262.25B PURCHASE OF BIODEGRADABLE HYDRAULIC FLUIDS.

The state board of regents and institutions under the control of the board purchasing hydraulic fluids shall give preference to purchasing biodegradable hydraulic fluids as provided in section 18.22.

Sec. 6. Section 307.21, subsection 4, paragraph b, subparagraph (4), Code 1997, is amended to read as follows:

(4) Comply with the requirements for the purchase of lubricating oils, and industrial oils, and hydraulic fluids as established pursuant to section 18.22.

Sec. 7. NEW SECTION. 904.312B PURCHASE OF BIODEGRADABLE HYDRAULIC FLUIDS.

The department when purchasing hydraulic fluids shall give preference to purchasing biodegradable hydraulic fluids as provided in section 18.22.

MARY E. KRAMER
President of the Senate

RON J. CORBETT
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2185, Seventy-seventh General Assembly.

MARY PAT GUNDERSON
Secretary of the Senate

Approved April 13, 1998

TERRY E. BRANSTAD
Governor