

# FEDERAL UTILITY PARTNERSHIP WORKING GROUP SEMINAR

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LAWYER AND CONTRACTING OFFICER MEETING  
REVIEWING UTILITY PRICE PROPOSALS

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Hosted by:



# PRICE PROPOSAL ELEMENTS

When the Feasibility Study (a/k/a Investment Grade Audit) is received, the proposal should reflect:

- A clear understanding of the Government's requirements:
- Incorporate any changes agreed to during development of the FS, including design.
- The proposal should clearly state that the offer is a firm fixed price to the Government.

- The proposal should clearly define the roles and the depth of direct involvement in the project of both the Utility and the ESCO.
- The Utility and the ESCO will each present its direct costs and indirect costs for project support.
- Indirect costs include OH, Profit, and other costs (G&A) pertaining to daily operation of business.

# DUPLICATION OF EFFORT

MARK UPS ARE TO BE EXPECTED FROM EACH LAYER OF PARTICIPATING CONTRACTORS.

- In review of the proposal, ensure that direct costs and not also included in indirect costs
- If there appears to be functions of work at a subcontractor level also being performed at the ESCO or Prime level, it is okay to ask questions/clarifications – negotiable area

# LIFE CYCLE COST ANALYSIS

- In making a decision for the selection of ECMs, a life cycle cost analysis shall be made:
- Consider the useful life of the ECM equipment
- Does it make economical sense to invest in an ECM, considering material and installation costs, O&M, and cost of financing?
- Perform analysis using recognized software

# PROPOSAL ATTACHMENTS

- PLANS, DRAWINGS, SPECIFICATIONS, DESIGN DOCUMENTS, SCHEDULE FOR INSTALLATION OF ECMS. DESIGN TYPICALLY COMPLETED OR NEARING COMPLETION.
- PERFORMANCE ASSURANCE PLAN
- AMORTIZATION SCHEDULE (READY TO FINALIZE)

# COMPETITION AMONG SUBCONTRACTORS

- The proposal should provide clear evidence of competition for each ECM.
- Should be able to see that each subcontractor is bidding on the same scope of work.
- Utilities may provide this as a table showing each subcontractor's bid, and identify the subcontractor selected.

# THE VALUE OF COMPETITION

- When two or more contractors are competing for the same scope of work, the result is that each competitor will offer its best pricing in order to obtain a contract award.
- The Contracting Officer can more easily make a determination of fair and reasonable pricing.



- Competition is required by the GSA Areawide contract
- Lack of competition may require revision to the final proposal, adding unnecessary delays in awarding a contract
- Contractor will need to provide breakdown of pricing similar to that of cost and pricing data
- Could result in Government walking away from awarding a contract

# WIN - WIN

- When the Utility and its ESCO (if used) present a clear picture of the competitive processes used, the Government can move quickly to accept the pricing as fair and reasonable.
- The Utility reduces its load demand and the Government reaps the benefit of reducing energy consumption at facilities.