



Utility Energy Service Contract Guide

A Resource for Contracting Officers
Working on UESC Projects

Prepared by the U.S. Department of Energy
Federal Energy Management Program

July 2020 Revision

Archived report; updated version available at
<https://www.energy.gov/femp/articles/utility-energy-service-contract-guide>.

Archived

Cover photo: Center for Disease Control and Prevention's Arlen Specter Headquarters and Operations Center reached LEED Silver rating through sustainable design and operations that decrease energy consumption by 20% and water consumption by 36% beyond standard codes. *Photo from Center for Disease Control, NREL/PIX 16419*

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General Information

Introduction to the UESC Guide

Authorized by EPACT, P.L. 102-486 (codified as 42 United States Code [USC] 8256), a Utility Energy Service Contract (UESC) is a limited-source contract between a federal agency and serving utility for energy management services including energy and water efficiency improvements and demand-reduction services. In a UESC, the Contracting Officer (CO) will lead the acquisition effort, supported by technically knowledgeable staff working closely with the utility, to assess potential, investigate technical and economic feasibility, and ensure a fair and reasonable price for design and implementation of the project.

The *UESC Guide* is a compilation of samples and templates developed as a resource to help COs implement Task Orders (TOs) for UESCs under existing U.S. General Services Administration (GSA) Areawide Contracts (AWC). All samples and templates provided in this guide were derived from actual UESC project contract documents and will be available for download on FEMP's website at <https://www.energy.gov/node/850656>. Templates in Microsoft Word can be modified to address each agency's unique acquisition process.

The opening General Information section contains information on FEMP contacts, resources, and tools available to assist you with your UESC project. The UESC Process Flowchart (page 4) and UESC Process Checklist (page 5) summarize the UESC process and will help you track the progress of your project. The checklist also provides a list of the samples and templates that are available for each step of the process. Reporting your UESC project data to FEMP is an important final step, and guidelines for reporting data are outlined in the UESC Data Collection Fact Sheet (page 6).

The next four sections contain the samples and templates for each step of the UESC process: Acquisition Planning, Project Development, Project Implementation, and Post-Acceptance.

We at FEMP hope this guide will help to streamline and expedite your UESC's implementation. We wish you much success with your UESC projects and thank you for your work in support of a clean and sustainable energy future. Please contact Tracy Niro at FEMP (contact information on page 2) if you have any questions regarding UESCs or would like to request technical assistance with your UESC project.

We also encourage you to become involved in the Federal Utility Partnership Working Group (FUPWG). FUPWG establishes partnerships and facilitates communications among Federal agencies, utilities, and energy service companies (ESCOs). The group meets twice a year to develop strategies to implement UESC projects and to share success stories and other important information on UESC related topics. Please visit <https://www.energy.gov/node/850661> for additional information on FUPWG.

Contact Information

FEMP UESC Contacts

Utility Services

Tracy Niro – Project Manager
U.S. Department of Energy (DOE)
202-431-7601 ♦ tracy.niro@ee.doe.gov

UESC Direct Project Support Team

Karen Thomas – National Renewable Energy Laboratory (NREL) FEMP Team
202-488-2223 ♦ karen.thomas@nrel.gov

Deb Vasquez – NREL FEMP Team
303-384-7548 ♦ deb.vasquez@nrel.gov

Christine Walker – Oak Ridge National Laboratory (ORNL) FEMP Team
865-241-4896 ♦ walkerce@ornl.gov

Brian Boyd – Pacific Northwest National Laboratory (PNNL)
509-371-6724 ♦ brian.boyd@pnnl.gov

FUPWG, UESC Training, General Information

Susan Courtney – Boston Government Services, LLC
703-832-2456 ♦ scourtney@gbg-llc.com

FEMP Federal Project Executives

Scott Wolf – 360-866-9163 ♦ scott.wolf@ee.doe.gov
Serving Montana, Wyoming, Utah, Colorado, North Dakota, South Dakota, Nebraska, Kansas, Minnesota, New Mexico, Alaska, Washington, Oregon, Idaho, California, Nevada, Arizona, Hawaii

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Serving Pennsylvania, New Jersey, West Virginia, Virginia, Maryland, Delaware, District of Columbia, Northeast New York, New Hampshire, Vermont, Maine, Massachusetts, Connecticut, Rhode Island

Doug Culbreth – 919-870-0051 ♦ carson.culbreth@ee.doe.gov
Serving Wisconsin, Michigan, Iowa, Illinois, Indiana, Ohio, Texas, Oklahoma, Louisiana, Kentucky, Missouri, Arkansas, Tennessee, North Carolina, South Carolina, Mississippi, Alabama, Georgia, Florida, Puerto Rico, Virgin Islands

GSA Contacts for GSA AWC Public Utility Contracts

General Contact – energy@gsa.gov

FEMP UESC Resources

Training – <https://www.energy.gov/node/2473960>

- FUPWG Seminars – <http://energy.gov/eere/femp/meetings-federal-utility-partnership-working-group>
- Introduction and Advanced UESC Workshops using project samples and templates to help agencies streamline the UESC process – <https://www7.eere.energy.gov/femp/training/>
- Live monthly webinars – <https://www7.eere.energy.gov/femp/training/training-calendar>
- On demand training – <https://www7.eere.energy.gov/femp/training/>
- Agency specific training – upon request

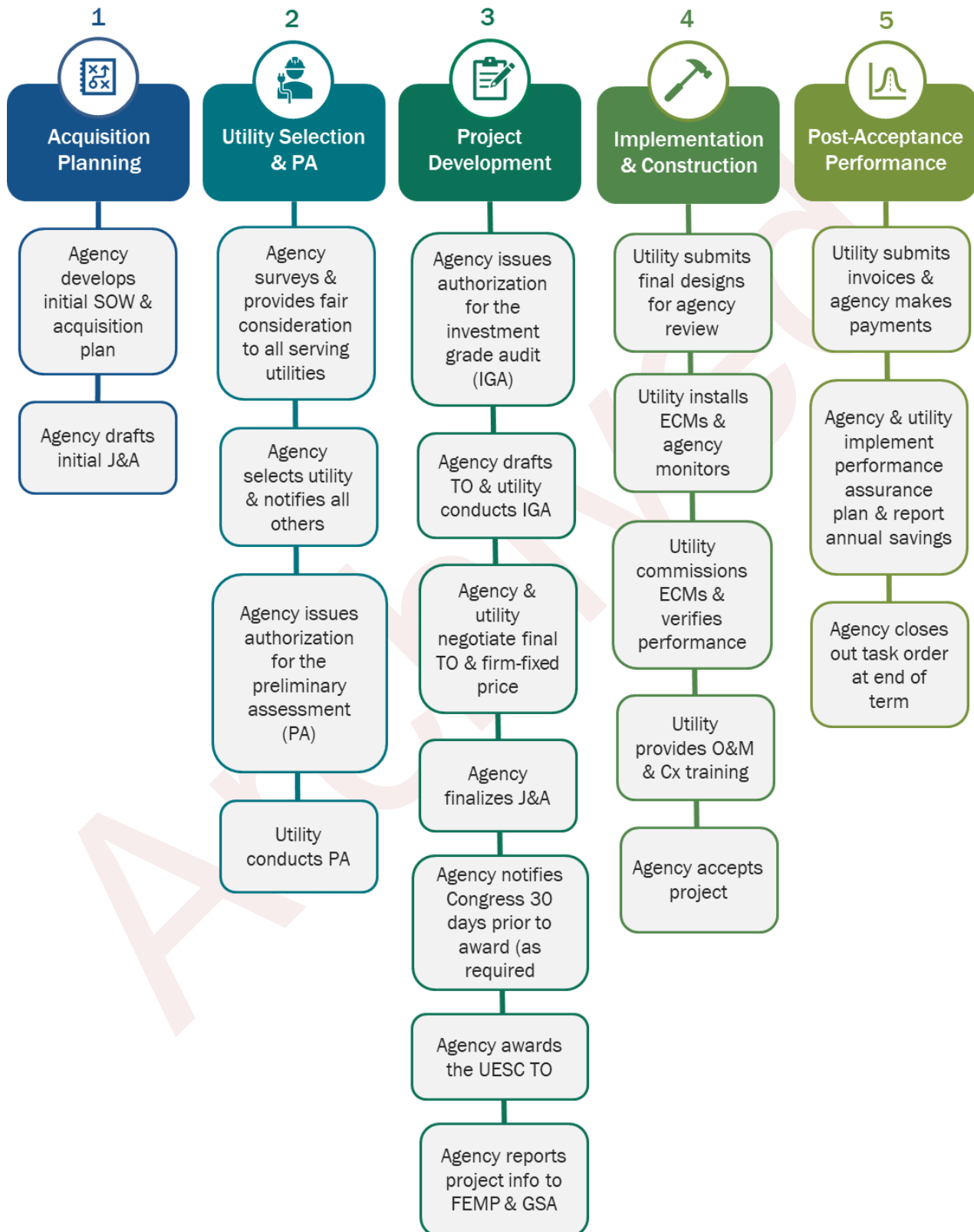
Tools

- *UESC Guide* – Compilation of samples and templates to assist COs in implementing a TO
- *Enabling Documents* – Book containing important legislative, executive, and agency mandates and legal opinions regarding UESC
- *UESC Virtual Center of Expertise* – Provides project teams with agency, utility, and financing experts who are willing to assist their peers with project implementation
- *Technical Project Assistance* – Contact Tracy Niro at FEMP (tracy.niro@ee.doe.gov)

FEMP UESC Website – <https://www.energy.gov/node/2473980>

- News and resources including laws and regulations, publications, training, UESC document samples and templates, and contact information

UESC Task Order Award Process Flowchart



UESC Planning and Document Development Checklist

Phase 1: Acquisition Planning

 2-4 weeks

	Task	Resources
☐	Agency develops initial project scope and limited acquisition plan	Limited Acquisition Plan –Template
☐	Agency drafts initial Justification & Approval (J&A)	J&A – Sample

Phase 2: Utility Selection & Preliminary Assessment (PA)

 4-6 weeks

	Task	Resources
☐	Agency surveys eligible serving utilities	• Letter of Interest – Template
☐	Agency provides fair consideration of utilities	• Utility Selection Evaluation Factors
☐	Agency selects utility and notifies all utilities of selection	• Utility Selection Letter – Template
☐	Agency issues an authorization/task order for PA	• EMSA – Sample Letter of Request for PA – Template • PA SOW – Template
☐	Utility conducts PA and agency reviews PA	• eProject Builder (ePB)

Phase 3: Project Development

 12-16 weeks

	Task	Resources
☐	Agency issues an authorization/task order for Investment-Grade Audit (IGA)	• Letter of Request for IGA – Template • GSA Sample - • Notice to Proceed to IGA – Sample
☐	Utility conducts IGA and develops IGA report • Develops technical scope for firm-fixed price with ECMs sufficiently detailed to acquire competitive subcontractor bids • Utility solicits bids from subcontractors	• eProject Builder (ePB)
☐	Utility develops performance assurance plan	• Performance Assurance Planning - Guide
☐	Agency reviews IGA and performance assurance plan	• eProject Builder (ePB)
☐	Agency develops statement of work and initial TO for installation	• FAR Clauses for UESCs • Standard Form 26 – Sample • Task Order for Design and Installation – Sample • Performance Assurance Considerations for TO Language
☐	Agency completes “business clearance” or “recommendation to award”	• Business Clearance Memorandum – Sample

☐	Agency requests and utility provides proposal with firm-fixed price, subcontractor bids, and financing	Letter Requesting a Firm-Fixed Price – Template
☐	Agency and utility finalize task order for installation - Negotiate final technical scope and cost - Agency indicates agreement to finance terms - Utility provides final proposal and agency updates task order to reflect negotiations	
☐	Agency awards task order for UESC and reports project information to FEMP and GSA - For contracts valued above \$13.5 million, agency provides written notification to Congress 30 days prior to award (DoD, NASA, and Coast Guard only notify Congress of contracts above \$135 million) - On day of award, agency CO publicly announces projects awarded over \$4 million (unless otherwise stated by agency acquisition regulations)	UESC Project Reporting – Template

Phase 4: Implementation and Construction



Installation Period

	Task	Resources
☐	Utility finalizes design and performance assurance plan	
☐	Utility installs ECMs and agency provides oversight	
☐	Utility commissions ECMs and submits commissioning report	Performance Assurance Planning - Guide
☐	Agency reviews commissioning report and verifies performance	ECM Performance Verification Checklist – Sample
☐	Utility provides O&M training to agency staff	Performance Assurance Planning - Guide
☐	Agency accepts project	Letter of Final Acceptance – Template

Phase 5: Post-Acceptance Performance



Term of Contract

	Task	Resources
☐	Utility submits invoices and agency makes payments	- Invoice Approval and Payment Process – Template - UESC Invoice – Sample
☐	Utility or agency executes O&M, MRR, and recommissioning according to the performance assurance plan and TO	Performance Assurance Planning - Guide
☐	Agency closes out the contract at end of term	



FEMP has collected UESC data from federal agencies since 1995, amassing more than \$3.4 billion in investments and almost 2,000 UESC projects. FEMP's Utility Program serves as the federal government's primary source of information on the UESC project funding mechanism. Both the OMB Memorandum M-12-21 (addendum to M-98-13), released in October 2012, and the Presidential Memorandum Implementation of Energy Savings Projects and Performance-Based Contracting for Energy Savings, issued on December 2, 2011, provide guidance for agency reporting. OMB Memo M-98-13 advises agencies to consult with FEMP in planning their UESC projects.

How Data Is Collected

Federal agencies and utilities voluntarily submit data to FEMP, which makes agency and utility participation critical to the success of FEMP's data collection efforts. FEMP's goal is to increase participation because the more accurately the data reflects the UESC market, the better FEMP can understand current trends and successes in UESC investments. This will allow FEMP to promote UESC options as viable financing mechanisms and enhance UESC marketing efforts more effectively. When FEMP has complete data of the UESC market, they are able to communicate the benefits of the utility program as a whole, including incentives, more accurately to agencies.

To collect data, FEMP Utility Team members send a data collection Microsoft Excel template that is used to collect and store vital UESC project information in FEMP's password-protected database. The FEMP Data Collection Template collects the following UESC project information:

- Total Capital Cost
- Award Date and Completion Date
- Contracting Vehicle
- Rebates and Incentives
- Energy Cost Savings
- Energy Conservation Measures (ECM)

To access the template, as well as learn more on how to submit UESC project data please visit:
<https://www.energy.gov/node/850661>.

Opportunities for Agencies and Utilities

Agencies that submit data can take advantage of the opportunities FEMP has to offer, including receiving FEMP technical assistance and expertise in UESC projects, as submitted data for proposed projects helps notify FEMP where to provide their assistance to agencies and utilities. FEMP will also provide assistance inputting data into the Compliance Tracking System (CTS), as requested by the December 2, 2011 Presidential Memo. Additionally, agencies and utilities that submit data to FEMP have the opportunity to be featured in a FEMP UESC Case Study and will receive recognition from FEMP. Currently, FEMP has started acknowledging agencies and utilities that submit data at the Federal Utility Partner Working Group (FUPWG) meetings.

How to Submit Data to FEMP

Reported data is never released to a third-party without consent, and data is securely maintained through FEMP Central (password protected database operated by Project Performance Corporation [PPC]). The data is reported occasionally to the DOE only on an aggregate level to demonstrate the growth of the UESC contracting vehicle, and to better understand the UESC market and trends in investment. FEMP collects historic, recently awarded, and proposed UESC projects and maintains discretion within the FEMP Utility Program team. UESC project data can be submitted by contacting Elvin Yüzügüllü (elvin.yuzugullu@gdit.com).

Abbreviations and Acronyms

AWC	Areawide Contract
BOA	Basic Ordering Agreement
CFR	Code of Federal Regulations
CO	Contracting Officer
COR	Contracting Officer's Representative
COTR	Contracting Officer's Technical Representative
CTS	Compliance Tracking System
D&I	Design and Installation
DO	Delivery Order
DOE	U.S. Department of Energy
DSM	Demand Side Management
E&D	Engineering and Design
ECM	Energy Conservation Measure
ECP	Energy Conservation Project
EISA	Energy Independence & Security Act of 2007
EMCS	Energy Management Control System
EMSA	Authorization for Energy Management Services
EO	Executive Order
EPACT	Energy Policy Act of 1992 & 2005
ESA	Energy Services Agreement
FAR	Federal Acquisition Regulation
FEMP	Federal Energy Management Program
FBO	Federal Business Opportunities (FedBizOpps)
FFP	Firm-Fixed-Price
FS	Feasibility Study (may be referred to as an IGA or Investment Grade Audit, the terms are interchangeable)
FUPWG	Federal Utility Partnership Working Group
GSA	General Services Administration

HVAC	Heating, Ventilating, and Air Conditioning
IGA	Investment Grade Audit (may be referred to as an FS or Feasibility Study, the terms are interchangeable)
IRR	Internal Rate of Return
J&A	Justification and Authorization for Other Than Full and Open Competition
LBNL	Lawrence Berkeley National Laboratory
LCCA	Life Cycle Cost Analysis
LCC	Life Cycle Cost
M&V	Measurement & Verification
NIST	National Institute of Standards and Technology
NREL	National Renewable Energy Laboratory
O&M	Operations and Maintenance
OH	Overhead
ORNL	Oak Ridge National Laboratory
PA	Preliminary Assessment
PA Plan	Performance Assurance Plan
PNNL	Pacific Northwest National Laboratory
PUC	Public Utility Commission
SOW	Statement of Work
TO	Task Order
UESC	Utility Energy Service Contract
USC	United States Code
USCG	United States Coast Guard

PHASE 1: Acquisition Planning

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J&A – Sample	16



Limited Acquisition Plan – Template

An acquisition plan for a UESC will address project-specific technical objectives and business considerations and identify the milestones in the acquisition process.¹ The CO will also ensure that agency acquisition policies, guidance, and practices are followed.

As an example, DOE's *Guiding Principles of Acquisition Planning* encourages

- an integrated team approach with representation from all organizations having an interest in the project,
- use of appropriate streamlining techniques; compliance with statutory, regulatory, and policy requirements, and
- reflecting the mission needs of the program.

DOE's Acquisition Guide allows for the submission of a utility procurement plan, the functional equivalent of an acquisition plan for ECMs or demand-response services from the serving utility. Therefore, DOE will satisfy its FAR Subpart 7 (Acquisition Planning) requirement for acquisition planning with an approved utility procurement plan.²

A *Limited Acquisition Plan* template is provided on the following pages, and a sample UESC-specific acquisition plan is available on request.

¹ FAR Part 7, Acquisition Planning, governs the process for federal procurements.

² DOE guidance on acquisition planning, *Guiding Principles of Acquisition Planning*, is available at <http://energy.gov/management/downloads/acquisition-guide-0>.

Limited Acquisition Plan Template

PROJECT TITLE:

LOCATION:

SOLICITATION NO.:

I. Acquisition Background and Objectives

A. Statement of Need

In accordance with Section 152 of the Energy Policy Act of 1992 (EPACT), Public Law No. 102-486, 42 USC 8256 (c) Utility Incentive Programs:

(1) Agencies are authorized and encouraged to participate in programs to increase energy efficiency and for water conservation or the management of electricity demand conducted by gas, water, or electric utilities and generally available to customers of such utilities.

(2) Each agency may accept any financial incentive, goods, or services generally available from any such utility, to increase energy efficiency or to conserve water or manage electricity demand.

(3) Each agency is encouraged to enter into negotiations with electric, water, and gas utilities to design cost-effective demand management and conservation incentive programs to address the unique needs of facilities utilized by such agency.

(4) If an agency satisfies the criteria which generally apply to other customers of a utility incentive program, such agency may not be denied collection of rebates or other incentives.

The *Agency* was given the authority to procure utility energy management services to reduce energy and water consumption and manage electricity demand directly from its gas, water, or electric utility supplier. The Federal Acquisition Regulations (FAR) Part 41 dictates how utilities will be procured.

B. Applicable Conditions

C. Cost

D. Capabilities

E. Delivery/performance period Requirements

F. Trade-Offs

G. Risks

H. Acquisition Streamlining

II. Plan of Action

A. Sources

B. Competition:

C. Source Selection

D. Acquisition Considerations

i. Contract Type

- ii. Special Contract Clauses:
- iii. Negotiated procurement.
- iv. Lease or Purchase equipment:
- v. Miscellaneous contracting considerations:
- vi. Performance Based Contract:

- E.** Budgeting and Funding:
- F.** Product or Service Description:
- G.** Priorities, Allocations, and Allotments:
- H.** Contractor vs. Government Performance:
- I.** Inherently Government Functions:
- J.** Management Information Requirements:
- K.** Make or Buy:
- L.** Test and Evaluation:
- M.** Logistics Considerations:
- N.** Government Furnished Property:
- O.** Government-furnished information:
- P.** Environmental and Energy Conservation Objectives:
- Q.** Security Considerations:
- R.** Contract Administration:
- S.** Other considerations:
- T.** Milestones for the Acquisition Cycle:

- i. Acquisition Plan Approval:
- ii. Solicitation Issue Date:
- iii. Solicitation Close Date:
- iv. Technical Proposals:
- v. Technical Evaluations/Awards:
- vi. Reverse Auction Period Begins:
- vii. Reverse Auction Period Ends:
- viii. Contract Awards:

- U.** Identification of Participants in Acquisition Plan preparation:

CO	Date

Concurrence/Approval:

1 level above CO	Date

2 levels above CO	Date

General Counsel

Date

Senior Acquisition Authority

Date

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J&A – Sample

Justification exists for Federal agencies both civilian and military to enter into sole-source agreements with their franchised and/or serving utilities and to accept financial incentives, goods and services provided under their incentive programs.

Section 152 of Public Law 102-468, EPACK, provides the authority to “sole-source” utility services contracts to obtain demand-side management services. The language contained in Section 152 does meet the criteria of once exception to the Competition in Contracting Act of 1984 (CICA). That exception is contained in 41 USC 253 (c) (5), which provides that a civilian agency may use other than competitive procedures when “statute expressly authorizes or requires that the procurement be made...from a specified source.” This language allows representatives in all Executive agencies to act in accordance with EPACK.

Likewise, the language in 10 USC 2913 provides the military departments and defense agencies with clear authorization to “sole source” with their franchised and/or serving utilities for these types of services.

Other agencies have determined that because the utility was vetted by the GSA when they established the AWC for utility service, further competition is not required and have decided a Justification and Authorization for Other Than Full and Open Competition (J&A) is therefore not required.

J&A
Sample
(Sample text is shown in italics)

- 1. Identification of Agency and Contracting Office:** *[Name of Agency; Name of Contracting Office and Location]*
- 2. Nature/Description of Action:** *Approval is requested to negotiate and issue an EMSA Exhibit under the terms and conditions of General Services Agency (GSA) Area Wide Contract [GS-XXX-XX-XXX-XXXX] for [Utility], a public utility company regulated by the [State Public Utilities Commission], to provide Utility Energy Service Contract (UESC) services without full and open competition. The work will be performed at [Site Location], which is within the [Utility] franchised service territory established by [State law and the Public Utilities Commission], under the terms and conditions of the AWC.*
- 3. Description of Supplies Services:** *Subject to the provisions of the AWC and Authorization, [Utility] will provide project development and installation efforts to implement energy and water conservation projects in building(s) [List Buildings / Location(s)]. A description of the work requirements for this project is attached hereto. Implementation of this project will allow the United States Government to effectively improve the aforementioned facilities and reduce its electricity, gas and water demand. The energy and water savings will reduce the site's electricity, gas, and water allocation, resulting in utility cost avoidance and compliance with mandatory laws and statutes to reduce energy and water consumption. The total estimated value of this Order to be issued pursuant to the AWC will be approximately [Estimated Dollar Value].*
- 4. Identification of Statutory Authority:** *42 U.S.C. Section 8256 of the EPACT encouraged Government agencies to enter into agreements with electric, water, and gas utilities to design and implement cost-effective demand and conservation incentive programs in order to address the requirements and circumstances of the Government installations. The main purpose of 42 U.S.C 8256 is to authorize the Government to take advantage of the expertise, rebates, and other financial incentives offered to customers of utility service providers for reducing energy consumption (if applicable). This renewable energy project will also assist [Site / Location] in meeting the renewable energy goals as established by the EPACT. Under 42 U.S.C. 8256, the procedures and methods required by the EPACT are "procurement procedures otherwise expressly authorized by statute," and, as a consequence, are exempt from the Competition in Contracting Act requirement for full and open competition under FAR 6.302-5.*
- 5. Demonstration of Contractor's Unique Qualifications:** *[Names of Utilities] are the only two utility companies willing and able to provide comprehensive UESC Energy Management Services (EMS) at [Site / Location] in accordance with 42 U.S.C. Section 8256. The Agency analyzed all eligible utilities interested in developing and proposing design-build services for a comprehensive energy project throughout the [Site(s)/Location(s)]. Based on evaluation and past performance, [Utility] was selected for the aforementioned services.*
- 6. FedBizOpps (FBO) Announcement/Potential Sources:** *In accordance with FAR 5.202(a) (4), the CO has determined the contract action is expressly authorized by statute to be made from a specified source. The specified source is the regulated utility company that is participating in the UESC DSM project and the announcement will be published as a notification of intent.*

7. Determination of Fair and Reasonable Cost: *The anticipated cost to the United States Government will be fair and reasonable. The Order will be negotiated independently with the price fully substantiated as fair and reasonable. Utility will meet the requirements for open competition by selecting each of the subcontractors performing the design-build for the facilities energy improvements under the contract from a group of at least three competitors utilizing their competitive source selection process in accordance with FAR 52.244-5.*

8. Description of Market Survey: *According to the market survey, [Names of Utilities] are the only utility companies willing and able to provide UESC EMS at [Site / Location]. [Utility] was selected after a competitive selection process as discussed in paragraph 5.*

9. Any Other Supporting Facts: *[Utility] can provide all of the UESC EMS design, installation and funding as well as the timely execution of the needed services. In addition to monetary incentives approved by the [Public Utilities Commission], the associated costs for procurement, contract administration, and performance assurance being performed by [Utility] on behalf of the United States Government represent a significant savings in time and costs.*

10. Listing of Interested Sources: *Only [two] utility companies are available at [Site/Location] to provide the United States Government with the comprehensive EMS and rebates and other financial incentives required for this project. [Utility] was selected as the most competent to accomplish this specific project as discussed in Paragraph 5.*

11. Actions Taken to Remove Barriers to Competition: *The [Name of Contracting Office] team met with all utility companies providing utility services at [Site/Location] to ascertain their interest, qualifications, and experience in providing UESC EMS. Competition was completed in accordance with FAR 52.244-5 subcontractor selection process.*

12. Statement of Delivery Requirements: *The Order will be negotiated and awarded for project development, design, and installation for [Site/Location/Specific Buildings] by [Date]. See the attached scope of work for a description of the work requirements.*

13. Total Estimated Dollar Value of the Acquisition Covered by this J&A: *The United States Government estimated total cost of accomplishing the work is approximately [Dollar Value] for a period of [Term of Contract].*

14. Reference to the Approved Acquisition Plan (AP): *[An Acquisition Plan is not required according to Federal Acquisition Supplement (FARS) 7.103 and the Agency Acquisition Guide, since the total cost of the Order issued under this AWC will not exceed \$5.5 million.]*

15. Documentation for Spare/Repair Parts Acquisition: *[As applicable]*

CERTIFICATION AND APPROVAL

TECHNICAL/REQUIREMENTS

I certify that the facts and representations under my cognizance which are included in this Justification and its supporting acquisition planning documents, except as noted herein are complete and accurate to the best of my knowledge and belief.

Technical Cognizance:

Signature: Phone No. Date

LEGAL SUFFICIENT REVIEW

I have determined this Justification is legally sufficient.

Signature: Phone No. Date

CO CERTIFICATION

I certify that this Justification is accurate and complete to the best of my knowledge and belief.

Signature: Phone No. Date

APPROVING OFFICIAL (DEARS 906.304)

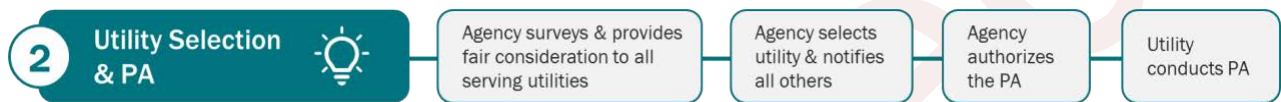
Upon the basis of the above Justification, I hereby approve the solicitation of the proposed procurement(s) described herein using other than full and open competition, pursuant to the authority of FAR 6.034 (DEARS 906.304).

Signature: Date

Enclosures

PHASE 2: Utility Selection and Preliminary Assessment

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Letter of Interest/Sources Sought Notice – Template

The potential providers list for a UESC is limited by statute to the serving water, natural gas, and electric distribution utilities.³ Because the suppliers are limited, the market research required by the FAR⁴ can be met by surveying the interest of the site's serving utilities. It is current practice to send a letter, often done via email, to each serving utility to inquire about interest, experience, and capabilities.

The *Letter of Interest* template on the following page

- includes a statement of the agency's broad objective for a partnership to assist with achieving energy goals;
- indicates outreach to all potential providers; and
- provides for project-specific details.

The letter provides an opportunity to be considered to each potential source.⁵ It serves to notify each utility of the agencies intent to develop a UESC project and invites each utility to indicate its interest and meet with the agency's acquisition team to present their capabilities and incentives programs. This template can also be used to draft a Sources Sought Notice, for posting on SAM.gov, as is currently recommended.

³ 42 USC Section 8256, Incentives for Agencies, states that agencies are authorized and encouraged to participate in programs to increase energy efficiency and for water conservation or the management of electricity demand conducted by gas, water, or electric utilities and generally available to customers of such utilities.

⁴ FAR Part 10, Market Research

⁵ FAR Part 16.505 requires each potential source to be provided with a fair opportunity to be considered for indefinite-delivery, indefinite-quantity contracts.

**Letter of Interest to Serving Utilities – Electric/Natural Gas/Water
Template (updated December 2022)**

[Name of Utility]

Attn: [Name of POC, Address]

Dear [Name of POC],

The [Agency] would like to develop an economically viable energy project that will reduce carbon emissions and include [energy conservation measures (with a preference for low carbon emissions options), water conservation measures, demand management, recommissioning and retrocommissioning and on-site carbon pollution-free electricity generation & storage]. The [Agency] plans to use a Utility Energy Service Contract ([UESC](#)) to implement this turnkey project at our facilities. We are surveying the interest of all electric, natural gas, and water distribution utilities serving the following facilities: [specific site names / locations / utility accounts]. The [Agency] intends to award a UESC Task Order under the GSA areawide contract (AWC). In the absence of an AWC, the [Agency] will also consider awarding the UESC via a Separate Contract or a Basic Ordering Agreement (BOA). UESC requirements typically include the following:

- A Preliminary Assessment (PA) offered at no cost to the Government.
- Financing (if applicable) must be competed.
- If the utility is going to subcontract to an Energy Service Company (ESCO) partner, the opportunity must be competed.
- DOE's eProject Builder (ePB) is required for Task Order schedules, and they should be provided for the PA, and at the 50% and 90% completion points of the investment grade audit (IGA), as appropriate for the specific UESC project.
- Format and requirements for PA and IGA will be discussed at a later date.

This letter is only a request for information regarding your company's energy management services offerings, willingness, experience, and qualifications to provide a customized UESC program for [Agency] and does not constitute authorization to proceed with any work.

If your company is prepared to offer a UESC, we would like to meet with your organization. Please send an email to [Contracting Officer email], to indicate your interest and call me at [xxx-xxx-xxxx] to discuss the matter further and arrange a meeting to set the groundwork for a partnership beneficial to both of our organizations.

If I do not hear from you by [future date – recommend 10 business days, 3:00 p.m. EST], I will consider it a response that your company is not interested in pursuing a UESC for the noted facilities at this time.

Please refrain from contacting other individuals at [proposed sites] at this time.

Thank you in advance,

[Name, Contracting Officer Title]

Utility Selection Evaluation Factors – Sample

Developing measurable and weighted criteria for the partnership and the project will contribute to a utility selection that will fit your program and project objectives. For example, each responding utility may provide the agency with information about its business model, including project management, technical expertise, subcontract plan, and ability to provide competitive financing. When more than one utility is interested and capable of providing a UESC, it is beneficial to use limited competition requirements sufficient to make a selection.

To date, the majority of UESC projects have been accomplished by electric and natural gas utilities including a subset of excellent projects done by cooperative and municipal utilities. Most water utilities are municipal entities and by necessity limit their time and resources to offering and implementing water-related opportunities.

**Utility Selection Evaluation Factors
Sample**

FOR

UESC

Site

Address

NOTE: This plan is for use by the Government's technical evaluation panel and is **NOT** part of the solicitation package. The information contained herein is for ***GOVERNMENT USE ONLY*** and **SHALL NOT BE RELEASED** to prospective offerors.

This plan contains confidential source selection information.

FOR OFFICIAL USE ONLY

THIS REPORT COVERS THE FINAL EVALUATION

BY THE EVALUATION BOARD (EB)

Submitted by:

Date _____

Voting Member

Date _____

Voting Member

Voting Member

_____ Date _____

Concurrence (for legal sufficiency):

Legal Counsel

Utility Selection Report

I. DESCRIPTION OF SERVICES TO BE ACQUIRED

Agency seeks to obtain energy management services from a local utility company through the issuance of TOs under the GSA AWC to design and install energy improvements. The estimated total value of the entire Project is between \$xx.xx and \$xx.xx. While Agency expects to fund the Investment Grade Audit (IGA) with appropriated funds, the anticipated obligated amount for Design and Installation (D&I) may, in accordance with applicable law and policy, be combined with private financing in order to leverage government funding and optimize Project scope and reductions in energy use and cost of facility operations.

II. DESCRIPTION OF THE SOURCE SELECTION APPROACH USED

The Government will evaluate each Offeror and select the one that provides the best fit for the project based on qualifications and experience set forth in the RFQ. Best fit means the expected outcome of an acquisition that, in the Government's estimation, provides the greatest overall benefit in response to the requirement.

One of several ratings (e.g., excellent, very good, good, etc.) was assigned in order to express judgment on each major evaluation factor. Points were assigned to facilitate arrival at final scores so that companies can be ranked in order of preference. The evaluation board (EB) used the following basic scoring plan for each proposal:

Adjectival rating	Point range	Definition	Point range
Excellent	90 – 100	Exceeds all requirements	90 – 100
Very good	80 – 89	Exceeds most requirements	80 – 89
Good	70 – 79	Meets standard	70 – 79
Marginal	60 – 69	Lacks material information	60 – 69
Unacceptable	0 – 59	Inadequate	0 – 59

III. EVALUATION FACTORS

A. Experience

Relative Weight 30%

This factor considers the extent of the Offeror's past experience in performing energy projects. The Offeror shall demonstrate past organizational experience as an entity responsible for the delivery of at least one (1) "turnkey" (i.e., design, construction, and operations and maintenance [O&M]) energy project. Additional consideration will be given to projects that contain any or all of the following special characteristics: (1) adaptive reuse; (2) heightened security; (3) phased construction; (4) renewable energy systems; (5) campus setting; and (6) Federal Government as owner.

The Offeror may submit up to two (2) additional energy projects showing varied nature, type, and complexity.

In addition to providing a brief narrative for each project submitted, please provide the following:

1. Title
2. Owner
3. Occupant(s)/Tenant(s)
4. Location
5. Description
6. Size (MW and GSF/OSF)
7. Special Characteristics
8. Construction Type (i.e., design-build, design-bid-build, etc.)
9. Contract Type
10. Contractor Responsibilities (Scope of Work)
11. Date of Award
12. Date of Substantial Completion
13. Cost at Award
14. Cost at Completion
15. Schedule Completion Time (days)
16. Actual Completion Time (days)
17. Number of Change Orders
18. Classification (reason) of Change Orders

B. Past Performance

Relative Weight 30%

This factor considers the quality of the Company's past performance on the project(s) submitted under Factor A with reference to such aspects as costs, timeliness, and technical success.

C. Key Personnel

Relative Weight 20%

This factor considers the qualifications of the Key Personnel proposed by the Company to execute the contract requirements for the positions proposed. The Company must submit the information for the following positions: principal-in-charge; principal project manager; lead mechanical engineer; lead electrical engineer; and lead systems control designer.

Please provide a resume for each person that addresses the following areas: education; professional experience; licenses/certifications; and accomplishments.

D. Narrative – UESC Program

Relative Weight 20%

Description: This factor considers the Company's UESC Program and applicability to the Project. The Company should address the following:

1. UESC Program concept/vision statement;
2. Historical energy use at the site;

3. Existing energy laws with a focus on assisting the Federal Government to meet any environmental, “green,” and/or energy savings requirements, mandates, and/or goals as set forth by the U.S. Congress or any Executive Branch Agency by way of laws, regulations, Executive Order (EO), or other;
4. Method for ensuring that quality and price are considered when procuring the architectural, engineering, installation, and performance of the work;
5. Strategies for performance assurance.

IV. SUMMARY CHART (SELECTING UTILITY BASED ON EXPERIENCE & QUALIFICATIONS)

Natural Gas Company				
<u>Factor</u>	<u>Raw Score</u>	<u>Adjectival</u>	<u>Weight</u>	<u>Weighted Score</u>
Experience				
Past performance				
Key personnel				
Concept / Vision				
Consensus				
Electric Company				
<u>Factor</u>	<u>Raw Score</u>	<u>Adjectival</u>	<u>Weight</u>	<u>Weighted Score</u>
Experience				
Past performance				
Key personnel				
Concept / Vision				
Consensus				
Water Company				
<u>Factor</u>	<u>Raw Score</u>	<u>Adjectival</u>	<u>Weight</u>	<u>Weighted Score</u>
Experience				
Past performance				
Key personnel				
Concept / Vision				
Consensus				

V. SUMMARY (PRICING EVALUATION)

	BASE & OPTIONS	Water Utility	Natural Gas Utility	Electric Utility
1	Overhead (OH)			
2	Profit			
3	Contingency			
4	Tier 1 Sub OH			
5	Tier 1 Sub Profit			
6	Tier 2 Sub OH			
7	Tier 2 Sub Profit			
8	Bond			
9	Risk Insurance			

Utility Selection Letter – Template

Once the utility selection decision is made, the CO will notify all utilities. The following template includes a statement providing instructions for and initiating the PA.

Some agencies, depending on project size and scope, will not require a PA or use a notice to proceed with PA, but will alternatively use an in-house assessment for the initial project scope, and/or skip the PA and start with an IGA.

Archived

Utility Selection Letter – Notice to Proceed with PA Template

Date

U.S. Agency
Agency Unit/Command
Address
City, State Zip
Phone:
Fax:
Email:

Utility Name
Attn: Federal Accounts Rep Name
Address
City, State Zip

SUBJ: Reference

(Utility) has been selected to perform a UESC, in accordance with (Utility's) GSA AWC Agreement, (insert agreement #). The UESC covers (insert Agency / Facility Name located in City, State). A list of buildings to be included in the study will be provided after consultation with site personnel. It is anticipated that the study may be expanded to include other facilities in the (Utility) service territory.

This letter shall serve as the notice to proceed with the Preliminary Assessment (PA) at the aforementioned facilities. In addition to the standard energy and water conservation measures investigated as part of a PA; it is also requested that the study incorporate:

1. Renewables
2. Commissioning
3. Performance Assurance
3. Identification of available Tax Credits.

The PA shall be submitted via email to the CO, (their name and e-mail address) and Technical Lead (Name and e-mail). In addition, one hard copy shall be sent to the CO. The PA will be due no later than (Date or number of days). It is understood that the Assessment will be performed at (no cost or future obligation or at negotiated cost to the Agency Name). All correspondence and contractual questions shall be addressed to the CO, Attn: their name with the subject line of all correspondence appearing as "Project ID UESC – Topic". The CO shall be copied on all e-mails.

Sincerely,
Name
CO

EMSA, an Exhibit to an AWC for Utility Service – Sample

The EMSA is provided as an exhibit to most current AWCs. The actual exhibit is used by the CO to establish a bilateral agreement for energy management services. FAR Part 41.204, GSA AWCs, provides procedures for obtaining service.⁶ The project scope, terms and conditions, and costs will be project-specific and negotiated by the CO.

The EMSA is used to order the services available and typically includes a PA, an Investment Grade Audit (IGA), Engineering and Design (E&D), Installation, and other services related to energy and demand management. The CO will execute the EMSA⁷ and attach it to a Standard Form 26. It is common for agencies to use their own contract award forms, and to include agency requirements, technical information, and other information necessary to define the service conditions in the contract.

Agencies are required to provide a copy of the award documents including Standard Form 26 and the executed EMSA to GSA Energy Center of Expertise, 301 7th Street SW, Rm 4004, Washington, DC 20407, within 30 days after execution.

The GSA's Energy Center of Expertise Web site at <http://www.gsa.gov/portal/content/104187> provides a list of AWCs, a sample AWC, the *Procuring Energy Management Services with the Utility AWC Guide*, a sample subcontract plan, and other helpful guidance and samples. Copies of specific AWCs can be acquired from either GSA or the specific utility. The GSA Center of Expertise contacts can be found at <http://www.gsa.gov/portal/staffDirectory/topic/50@@>.

In the rare case when an AWC does not include energy management services, the GSA will assist with a modification of that AWC. When an AWC does not exist, the GSA may delegate contracting authority upon request.⁸

⁶ FAR Part 41.204(c)(2): "Each AWC includes an authorization form for ordering service, connection, disconnection, or change in service. Upon execution of an authorization by the contracting officer and utility supplier, the utility supplier is required to furnish services, without further negotiation, at the current, applicable published or unpublished rates, unless other rates, and/or terms and conditions are separately negotiated by the Federal agency with the supplier."

⁷ FAR Part 41.204(c)(3): "The CO shall execute the Authorization, and attach it to a [Standard Form \(SF\) 26](#), Award/Contract, along with any modifications such as connection charges, special facilities, or service arrangements. The CO shall also attach any specific fiscal, operational, and administrative requirements of the agency, applicable rate schedules, technical information and detailed maps or drawings of delivery points, details on Government ownership, maintenance, or repair of facilities, and other information deemed necessary to fully define the service conditions in the Authorization/contract."

⁸ FAR Part 41.203(a). GSA will, upon request, provide technical and acquisition assistance, or will delegate its contracting authority for the furnishing of the services described in this part for any Federal agency, mixed-ownership Government corporation, the District of Columbia, the Senate, the House of Representatives, or the Architect of the Capitol and any activity under the Architect's direction.

EMSA Sample

Contractor's ID NO. _____ (Optional)
Ordering Agency's ID NO. _____ (Optional)

EMSA

CONTRACT NO. **GS-**_____

ORDERING AGENCY: _____

ADDRESS: _____

Pursuant to Contract Number GS-_____ between the Contractor and the United States Government and subject to all the provisions thereof, service to the United States Government under such contract shall be rendered or modified as hereinafter stated. Contract Articles 2 and 4 shall be followed for the initiation of service under this contract.

PREMISES TO BE SERVED: _____

SERVICE ADDRESS: _____

NATURE OF SERVICE:

- | | |
|---|--|
| ☐ Preliminary Energy Audit | ☐ ECP IGA |
| ☐ ECP E&D Study | ☐ ECP Installation |
| ☐ Demand Side Management (DSM) Project | ☐ Other (See Remarks Below) |

SERVICE HEREUNDER shall be provided consistent with the Contractor's applicable tariffs, rates, rules, regulations, riders, practices, and/or terms and conditions of service, as modified, amended or supplemented by the Contractor and approved, to the extent required, by the Commission. (See Article 5 of this contract.)

POINT OF DELIVERY: _____

ESTIMATED PROJECT COST: _____

ACCOUNTING AND APPROPRIATION DATA: _____

LIST OF ATTACHMENTS:

- | | | | |
|--|--|--|---|
| ☐ General Conditions | ☐ Payment Provisions | ☐ Special Requirements | ☐ Economic Analysis |
| ☐ Facility/Site Plans | ☐ Historical Data | ☐ Utility Usage History | ☐ ECP IGA |
| ☐ Design Drawings | ☐ Design Specifications | ☐ Certifications | ☐ Commission Schedules |

CLAUSES INCORPORATED BY REFERENCE (Check applicable clauses):

- (1) ____ 52.211-10 *Commencement, Prosecution and Completion of Work (APR 1984)*
- (2) ____ 52.232-5 *Payments under Fixed-Price Construction Contracts (SEP 2002) --supersedes provisions of payment clauses in Article 14*
- (3) ____ 52.2332-27 *Prompt Payment for Construction Contracts (FEB 2002)*
- (4) ____ 52.236-5 *Material and Workmanship (APR 1984)*
- (5) ____ 52.241-8 *Change in Rates or Terms and Conditions of Service for Unregulated Services (FEB 1995) (Use full Text of Clause)*
- (6) ____ 52.243-1 *Changes-Fixed Price (AUG 1987)*
- (7) ____ 52.249-____ *Default (_____) (Specify appropriate Clause)*

In addition, the CO negotiating the terms and conditions under this authorization shall supplement the above-referenced clauses with clauses for the appropriate type of contract.

REMARKS:

ACCEPTED:

(Ordering Agency)

(Contractor)

By: _____
Authorized Signature

By: _____
Authorized Signature

Title: _____

Title: _____

Date: _____

Date: _____

Telephone No. _____

Telephone No. _____

NOTE: A fully executed copy of this Authorization shall be transmitted by the ordering Agency to the Office of Public Utilities (PLA), GSA, Washington, DC 20407.

Letter of Request for PA – Template

The following template was developed by an agency preparing to work with their serving utilities to accomplish multiple UESC projects.

Archived

Letter of Request for PA Template

Date

Name of Utility

Attn.: Name of Federal Accounts Manager

Utility Address

Dear Name of Federal Accounts Manager,

The Agency is planning to develop energy and water conservation projects and award contracts pursuant to the terms and conditions of GSA AWC GS-XXX-XX-XXX-XXXX. The Government requests that Name of Utility accomplish a PA of the identified buildings and determine whether they are candidates for an IGA and project development. This request is strictly for the PA. Upon determination of appropriate ECMs and our agency's decision to move forward, Agency will request of you a proposal of the associated costs to complete an IGA. Do not proceed with the IGA until directed by the Government. The following scope applies.

Scope: PA of energy and water consumption and systems including envelope for cost effective energy and water efficiency and savings and potential renewable energy applications.

Government Furnished Data:

- Previous studies (as available), site-identified ECMs; historical energy consumption data to be provided prior to scheduled walk-through date.
- Government shall ensure that building location and access issues are coordinated prior to scheduled walkthrough date.

Services:

- Perform a PA of the energy and water consumption and efficiencies for each building listed to identify ECMs that are likely to be life cycle cost (LCC) effective or have a savings-to-investment ratio of 1 or better. For the purpose of the PA, simple payback is acceptable.
- Provide a report, guided by the attached Energy Assessment Report Template, detailing each of the recommended ECMs.

Locations: Insert list of buildings

This letter is only a request for a PA and does not constitute authorization to proceed with the work. All contractual correspondence regarding this request should be directed to Name of CO, at Phone #. If further technical information is required, please contact Name of Engineer or Site Technical Staff at Phone #.

Sincerely,

Name of CO

Title

PA SOW – Template

The following Statement of Work (SOW) for the PA was developed from an actual project that included multiple buildings and agency-identified ECMs for each building which the agency described succinctly in a table. The PA was effectively used to identify a series of projects to be implemented over time.

Some agencies, depending on project size and scope, will not require a PA or need to refer to this template, but will alternatively use an in-house assessment for the initial project scope, and/or skip the PA and start with an IGA.

PA SOW Template

1.0 PURPOSE, SCOPE, AND GOALS

1.1 PURPOSE — The Work to be performed consists of completing an assessment of buildings and facilities located at _____, _____ to identify ECMs and provide sufficient detail for each ECM to determine which are candidates for an IGA and potentially installed as part of a UESC.

1.2 SCOPE — An assessment shall be conducted for the facilities/buildings/systems identified in Exhibit A and Table 1. The description of these facilities/buildings/systems may be adjusted to include additional items that are discovered during the site investigation and that could result in energy or water savings or associated cost savings. The assessment shall comply with requirements of 42 USC 8253 (f).

1.3 GOALS — The following are the primary goals for ECMs identified from this assessment.

- ECMs and projects shall be in the best interest of the government/agency/mission and ranked based on need/facility and reliability improvements/economics.
- Meeting the previous point, incentives, reduction in consumption, and cost savings will be maximized.
- Impacts to personnel and increased maintenance requirements will be minimized.
- ECMs will be logically combined into larger projects to improve project costs.

2.0 SITE ADDRESSES & POINTS OF CONTACT

Utility Company Name:

- Utility Representative, including Address, Phone Number, and E-mail Address
- Second Utility Representative, including Address, Phone Number, and E-mail Address

Agency Point of Contact:

- Agency Representative, including Address, Phone Number, and E-mail Address
- Second Agency Representative, including Address, Phone Number, and E-mail Address

3.0 GENERAL REQUIREMENTS

3.1 DEFINITION OF TERMS

Contractor — The entity or entities authorized by _____ to perform Work under this Agreement, such entities shall include (Utility company name), and any subcontractors (____) retained to perform the Work described in this Agreement.

Cost effective, also LCC Effective and Financed LCC Effective — Providing a savings to investment ration (SIR) greater than for example 1 or 1.25 insert agency determination, as calculated using the methods and procedures developed pursuant to 10 CFR 436, Federal Energy Management and Planning Programs, Subpart A, Methodology and Procedures for LCC Analyses.

PA — A survey of a building or facility and surrounding areas that provides sufficiently detailed information to identify all potential energy and water conservation measures with a life-cycle cost-effective payback period.

ECM — A potential energy or water conservation measure that is identified during the survey.

Maintenance — Maintenance refers to all efforts, by all sources, to maintain completed ECMs. The economic analysis of maintenance costs associated with an ECM must include a comparison of ongoing maintenance costs and the potential repair/replacement costs avoided with adequate maintenance. Data about maintenance will be provided by the Agency.

Savings-to-Investment Ratio (SIR) — The net present value of project savings stream divided by the project cost using discount factors from the *Energy Price Indices and Discount Factors for Life-Cycle Cost Analysis – April 2008. Annual Supplement to National Institute of Standards and Technology (NIST) Handbook 135 and NBS Special Publication 709, U.S. Department of Commerce.*
<http://fire.nist.gov/bfrlpubs/build08/PDF/b08019.pdf>

Simple Payback Period — The ratio of the estimated project cost divided by the estimated savings per year from implementing the ECM.

3.2 Assessment Team — shall have the following minimum experience and qualifications:

Principal:

- Minimum of four (4) years of experience in accomplishing surveys
- Minimum of Bachelor's degree in Engineering from a college or university accredited by the Engineers Council for Professional Development
- Professional Registration as an Engineer in the State of _____

Assessment Supervisor: (Per 10 CFR Ch. II, Section 450.22)

- Minimum of four (4) years of experience in accomplishing surveys
- Minimum of Bachelor's degree in Engineering from a college or university accredited by the Engineers Council for Professional Development

Assessment Team Members:

- Minimum of two (2) years of experience in accomplishing surveys

4.0 APPLICABLE SPECIFICATIONS, REGULATIONS, ETC.

ECMs shall meet or exceed all applicable codes and regulations, including, and not limited to:

- National Electrical Code (NEC)
- Uniform Building Code (UBC)
- Uniform Mechanical Code (UMC)
- Uniform Plumbing Code (UPC)
- National Fire Protection Association (NFPA) Standards
- _____
- Clean Air Act and Amendments, Title VI
- (State) Code of Regulations

5.0 POTENTIAL ENERGY AND WATER CONSERVATION MEASURES — Potential water conservation measures and ECMs including commissioning and renewable energy system opportunities shall be evaluated for each building, structure, or area surveyed at the Site/Location in order to develop potential ECMs.

5.1 POTENTIAL ECMs — A list of agency-identified and generally acceptable ECMs are described below (*e.g., in Table 1 – Agency Identified ECMs and Table 2 – General List of ECMs, and in Section 5.2*). It is anticipated that the Utility will assess the agency-identified ECMs along with other ECMs identified during the assessment. The Utility will provide results of the assessment in a spreadsheet format such as (*Table 3 – insert sample table*) showing technology applicability to all buildings and structures.

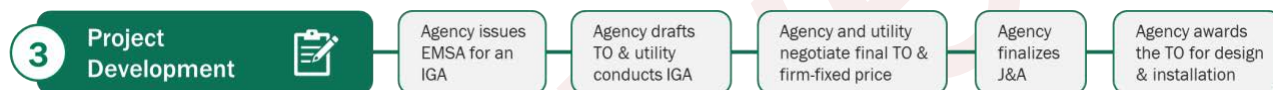
5.2 RECOMMENDATIONS FOR CHANGES IN OPERATIONAL AND MAINTENANCE PROCEDURES

It is understood that substantial energy and water savings can be obtained by changes in operational procedures. In each area or building where substantial energy or water is consumed, provide recommendations for improving efficiency through operational strategies that will not cause risk to mission or operational requirements including:

- Changes to operational hours for specific equipment or systems, e.g., minimize electrical consumption and demand charges through night/off-peak run time for heavy process loads.
- Changes in procedures and/or working hours having little or no impact on personnel.
- Changes to existing maintenance procedures, e.g., group lamp replacement, replace failed motors with premium efficiency motors, etc.
- Modifications to existing facility use, e.g., maximizing occupancy, etc.

PHASE 3: Project Development

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Letter of Request for IGA – Template

The Letter of Request for an IGA is written to request a detailed study of the ECMs selected by the agency that were identified in the PA.

The UESC process often differs project to project, and agencies with a current detailed site assessment may opt to begin the UESC project development process with an IGA.

Archived

Letter of Request for IGA Template

Date

Name of Utility

Attn.: Name of POC

Address

Dear Name of POC,

The Agency is planning to develop ECPs and award contracts pursuant to the terms and conditions of GSA AWC GS-XXX-XX-XXX-XXXX. The Government requests that Utility accomplish an Investment Grade Audit (IGA) for the ECMs identified in the PA report provided by your company and selected by the Agency for a potential Utility Energy Service Contract (UESC), reference the PA report site/date submitted. This is a request for a proposal to this office of the associated costs to complete the IGA. Do not proceed with the IGA until directed by the Government. The following scope applies.

Scope: Provide an IGA of the energy conservations measures selected by Agency from the list of recommended ECMs detailed in the PA provided on date by Utility.

Services: provide an in-depth technical and economic analysis of each ECM listed in Table 1 including consumption baseline, a LCC analysis, and project financing.

This letter is only a request for an IGA proposal and does not constitute authorization to proceed with the work. All contractual correspondence shall be directed to Name of CO at Phone # / email address. Please contact Name of Engineer at Phone #/ email address for technical information with a copy to the CO.

Sincerely,

Name

Title

IGA SOW – Template

The SOW for the Investment Grade Audit (IGA) includes a purpose, scope, and goals of the work to be performed. This SOW will also include the applicable addresses and points of contact, along with general requirements.

The following IGA SOW template was adapted from an actual project SOW. It describes the information needed by the agency to establish that the recommended ECMs are technically sound, pricing is fair and reasonable, and the project is in the best interest of the government. It provides information and instructions for working on site as well as a format for the written report.

Note that some agencies may not require an IGA or its SOW but may alternatively use a PA or other feasibility study if the submitted report is sufficiently detailed for the project size and scope.

IGA SOW Template

Site Location

1. **Project Scope** – Per **GC.19 ECM IGA Phase** of the UESC Model Agreement, the Contractor shall provide a detailed study to determine whether particular ECMs proposed by the Contractor are feasible (the “IGA”). Utility Name shall provide an IGA, cost estimate, and economic analysis for implementing the following ECMs at Facility Name, City / State.

ECMs approved for further development:

Building Number 1, 2, 3, etc.

1. HVAC upgrade
 - a) Replace steam unit heaters with natural-gas-fueled radiant heaters
 - b) Replace domestic hot water tanks with solar hot water system
 - c) Upgrade energy management control system (EMCS)
 - d) Retrofit pumps with variable-frequency drives
 - e) Provide commissioning

Building Number 1, 2, 3, etc.

2. Lighting retrofit
 - a) Replace existing T-12 fixtures with T-8
 - b) Provide daylighting controls

Building Number 1, 2, 3, etc.

3. Building envelope

Building Number 1, 2, 3, etc.

4. Water conservation

Technical Analysis:

- a. Provide baseline of energy and water consumption
- b. Provide estimated energy and cost savings, including the methodology and basis for energy savings calculations, including all assumptions and detailed spreadsheet calculations showing how savings were determined
- c. Provide estimated installed costs
- d. Provide a detailed narrative for each feasible ECM describing equipment to be removed or replaced, and new equipment to be installed
- e. Provide sufficient design, plans, and specifications, and installed cost breakdowns for the project including each feasible ECM.

[Insert requirement for percentage completion of design (15% to 65% is typical depending on the ECM). List ECMs for which specifications, catalog cut sheets, and pertinent equipment parameters such as power rating, estimated energy consumption, input/output, power ratio, lighting level, noise levels, estimated equipment life, locations, etc., will be expected.]

- f. Provide electrical plans complete enough to thoroughly express the ECM electrical requirements, and include single line diagrams, load calculations, and the projected power plan.
- g. Provide mechanical plans with sufficient detail and include as needed:

- i. A plumbing floor plan for the mechanical rooms, plumbing fixtures, floor drains and equipment locations
 - ii. An HVAC floor plan showing equipment locations, duct layout, and preliminary piping runs
 - iii. A mechanical room plan to show major equipment and maintenance access space
- h. Provide details for government support which will be required during implementation of the ECM, e.g., changes in operations, movement of equipment, access, etc.
- i. Provide details for utility interruptions needed for implementation of each ECM by type (gas, electricity, water, etc.), extent (room number, entire building, etc.) and duration.
- j. Provide details of potential adverse environmental effects for each ECM. The government will provide information indicating areas suspected of containing asbestos, lead paint, or other hazardous materials located in proposed work areas.
- k. Provide a construction plan and schedule including estimated construction time in calendar days.

Cost Factors: Provide all assumptions, calculation methods, and other processes used to develop the costs and savings estimates:

- a. Life-cycle-cost analysis utilizing the mutually agreed upon process, standards, and calculation factors, which include estimated annual operations costs, (e.g., increased use of alternate fuel sources, replacement filters) and increased maintenance costs (e.g., relamping with a higher cost product, etc.)
- b. Total estimated ECM cost to the Government (engineering, design, construction, and other required over the life of the payback term)
- c. Estimated cost-of-money rate (percent)
- d. Breakdown of financial incentives/rebates for each ECM (if any)
- e. Estimated annual energy and O&M current costs and savings including details on estimated annual savings for each ECM
- f. Estimated breakdown of implementation costs for each area of energy savings
- g. Estimated unit costs for major components and systems

2. Deliverable Requirements

The IGA Report deliverable shall include the following items / sections:

- I. Executive Summary including introduction, scope, approach, major assumptions, summary findings (including total life-cycle-cost analysis results), conclusions, and recommendations / path forward
- II. Detailed findings and supporting analysis by building for mechanical scopes
- III. Detailed findings and supporting analysis for the lighting retrofit opportunities by building
- IV. Detailed findings and supporting analysis for the building envelope opportunities by building
- V. Detailed findings and supporting analysis for the water / sewer retrofit opportunities by building
- VI. Detailed findings and supporting analysis for commissioning opportunities
- VII. Detailed findings and supporting analysis for renewable energy opportunities
- VIII. Proposed Performance Assurance Plan including commissioning, M&V, and O&M

The report deliverable shall be *(set as appropriate for size and complexity of the project)*:

- 1. Preliminary/or multiple Submittal – (35% / 90%)
 - a. 8-1/2 x 11 materials for all items in the report

- b. 11 x 17 sheets for any preliminary facility sketch information that is provided, if applicable
 - c. Provide 3 copies bound in 3-ring binders and one electronic copy on CD.
 - d. Allow the Government (number appropriate to project size/complexity) workdays for review and comment
- 2. Final Submittal
 - a. 8-1/2 x 11 materials for all items in the report
 - b. 11 x 17 sheets for any preliminary facility sketch information that is provided, if applicable
 - c. Provide 3 copies bound in 3-ring binders and one electronic copy on CD.

3. Quality of Work

Utility Name is responsible for professional and technical accuracy and coordination of all work or services furnished. Products submitted by Utility Name shall be reviewed by Agency for compliance with Government requirements and criteria. Errors or deficiencies in the performance of the Utility Name shall be corrected by Utility Name at no additional cost or fee to Government.

4. Security

All work areas are unclassified and all products resulting from this contract will be unclassified. Utility Name shall not discuss or release information concerning operations or recommendations developed during the course of this contract to general public, newspapers, or other media, public officials, community leaders, etc. without prior approval of the Government. Products developed under this contract will be retained by the Government at the conclusion of the contract.

5. Site Visit Access

All requests for site visits shall be arranged in advance and shall be cleared by Agency; point of contact is Mr/Ms. _____, Tel. _____, before site visit. Conference room space will be provided as available for use by Utility Name during visits. Limited quick copy capacity will be provided.

6. General Requirements

- A. Utility Name shall ensure that the study incorporates Agency Fire Protection Criteria
- B. The results of the study will be delivered to the Agency in the form of a printed report. Electronic versions, in Microsoft Word and Excel, are also acceptable and encouraged
- C. Agency Division, Agency Name / Command

Technical Representative POC:
Name _____

Phone and Fax _____

Contract Specialist:

Phone _____

- D. Site name _____

Technical Representative POC:
Name _____

Phone and Fax _____

Utility Name responsibility is directly to the CO via the Contract Specialist. Any requested change/deviation in scope must be brought to the attention and/or approved by the CO. In no case will changes to the contract scope be made at the Activity level or by any person other than the CO.

7. Site Investigation

Utility Name shall:

- Make an in-depth field investigation to determine the actual conditions and work requirements necessary.
- Furnish all labor, material, transportation, and equipment necessary to make the survey and field investigation.
- Obtain the data by visiting the site, consulting with Government representatives, and by other action as necessary, to develop accurate and complete information.
- Be responsible for obtaining record drawings from the agency.
- Confirm existing site conditions affecting all aspects of the subject project.

8. Submission Requirements

Utility Name shall respond to all Government review comments in writing. Responses to Government review comments shall be made part of the next submission to the Government by Utility Name.

9. Project Milestones: develop milestones appropriate to project size/scope

% Report submission	<u>14</u> business days after contract award
Government review	<u>28</u> business days after contract award
Final Report submission	<u>42</u> business days after contract award

10. Project Submittal Distribution:

a. Draft Report:

Identify Gov't Staff 3 Copies

b. Final Report

Identify Gov't Staff 3 Copies

Performance Assurance Discussion and Plan – Template

The authority for UESC does not address annual measurement and verification (M&V) of energy, water or cost savings, or a contractual guarantee of those savings. Federal Energy Management Best Practices emphasize optimal performance of the equipment under these contracts be assured to accomplish the expected energy and/or water usage and cost reductions. For additional guidance, please see “Performance Assurance for Multi-Year Contracts under the Utility Incentive Program,” <https://www.energy.gov/node/4045968>.

The Office of Management and Budget (OMB) has put forth guidance in OMB M-12-21, Addendum to OMB Memorandum M-98-13, on requirements for performance assurance as a condition of annual scoring for the life of the contract, rather than being fully scored at the time the contract is executed. These conditions include:

1. Energy savings performance assurances or guarantees of the savings to be generated by improvements, which must cover the full cost of the Federal investment for the improvements;
2. M&V of savings through commissioning and retro commissioning; and
3. Competition or an alternatives analysis as part of the selection process prior to entering into a UESC.

Performance Assurance Discussion

Sound program management and fiscal responsibility impels agencies to include assurances of maintenance and monitoring for alternatively financed efficiency projects as a means of securing project payment funds from energy savings. Agency and utility teams agree that the following recommended actions are practical activities to assure continued performance of UESC ECMs.

1. Include Performance Assurance requirements in each contract
 - a. Develop a performance assurance plan that includes strategies for measuring and presenting baseline consumption and operating hours, design consumption and operating hours, as-installed consumption and operating hours for each ECM; provides for appropriate commissioning, M&V, operations and maintenance (O&M), and periodic process review to assure performance at design targets for the life of the equipment.
 - b. Demonstrate performance at installation, upon seasonal changes, at completion of one year of service, and prior to end of warranty period.
 - c. Define ECM-specific performance metrics and provide sufficiently detailed process instructions.
 - d. Develop O&M procedures that meet the manufacturer's suggested O&M, agency protocol, and efficiency targets.
 - e. Establish responsible party (agency or utility) for all activities included in the performance assurance plan.
 - f. Provide tools and services to accomplish ECM-specific requirements for performance assurance.
 - g. The responsible party shall provide a simplified written report for each commissioning, M&V, and retro-commissioning effort, for which transmittal by email is acceptable; and an annual M&V report including a meeting to present the findings to the customer.
2. Compare performance measurements to the manufacturer's specifications and the design intent:
 - a. Measure the performance criteria and verify the performance of each ECM when installation is complete; for example, kWh/fixture, chilled water temperature across coil, kW/ton, etc.
 - b. Measure the performance criteria and verify the performance at the end of warranty period.
3. Assure effective O&M:
 - a. Complete ECM-specific O&M.
 - b. Perform continuous commissioning for complex and energy-significant ECMs.
 - c. Inspect ECM O&M effectiveness periodically.
 - d. Review and adjust the O&M plan.
4. Provide performance-focused O&M training that meets the manufacturer's recommendations, is adapted to meet agency periodic maintenance requirements, and achieves the design performance target:
 - a. Provide ECM-specific in-person O&M training at installation and include video recording.
 - b. Provide ECM-specific refresher training throughout the contract period appropriate to the ECM.
5. Review and resolve performance discrepancies:
 - a. Identify performance discrepancies.

- b. Resolve performance discrepancies.

Notes on Performance Assurance from Utility Partners

Public Utility Commissions (PUCs) may require utilities to verify energy savings resulting from projects that have received utility incentives as part of an Energy Efficiency Program. For example, PG&E is required to provide/verify energy savings for projects that receive incentives. Further, these projects are subject to audits by the California Regulatory Commission, and PG&E may be subject to penalties if the energy savings are not realized.

Utilities with commissioning programs may provide incentives to the customer if the deficiencies discovered during commissioning are corrected.

After the installation is complete, the responsible party will inspect the installation in the presence of a facility representative to confirm that ECMs meet specifications. Any changes in fixture type or quantity (either existing or proposed) will be recorded per building in a spreadsheet, and energy savings will be recalculated based on actual installation. Any loss of energy savings due to a change in existing or proposed fixtures will be calculated. If this shows a savings shortfall, Utility will complete additional retrofits to make up the difference, or install additional equipment under another ECM. The difference between pre- and post-installation energy use will be multiplied by the approved energy rates to determine the cost savings.

Commissioning will be performed when each system is installed, including equipment tests and validation of controls functions, and then a trend run. The results of these activities will be included in a commissioning report which will document the baseline that will be compared to performance at the end of the warranty period. During the first 12 months of the performance period, M&V activities will determine whether the building is maintained at the parameters from the baseline and validate that each ECM is performing its function correctly.

The M&V requirement is intended to provide documentation regarding the cost effectiveness of the technologies employed. It is not intended to create a continuous program of reporting, monitoring, and maintaining energy consuming systems that are part of this project to ensure energy savings.

Performance Assurance Plan Template

(INSERT AGENCY / SITE / PROJECT NAME)

Tuesday, October 21, 2025

This Performance Assurance Plan is prepared by (Utility) for the (Agency) to identify methodologies and performance assurance actions that are technically appropriate, economically viable, within the power of the utility to honor, and effective in identifying the actual performance of each ECM. Every effort should be made to minimize the extent and cost of performance assurance. Ultimately, the appropriate performance assurance and rigor of the M&V method necessary to cost effectively assure compliance with that specified in the TO must be at the discretion of the CO.

The DOE's Federal Energy Management Program (FEMP) provides recommendations for **minimal** performance assurance levels. The recommendations are as follows:

1. Start-up performance verification (based on measured data).
2. Performance verification at the end of warranty period (based on measured data).
3. O&M training (required in the more common instance where the agency continues to operate and maintain the installed equipment).
4. Provision of continuing training throughout the contract period as specified in the contract as determined by the needs of the facility.
5. Periodic inspections and verification of appropriate O&M performance.
6. Performance discrepancy resolution.

Customer Performance Assurances Responsibilities

In order for the Utility to conduct its Performance Assurance Services the agency is responsible for each of the following:

1. Maintain and perform preventative maintenance on all installed equipment and systems in accordance with manufacturers' standards and specifications.
2. Agency should integrate new requirements within their existing periodic maintenance work plan in order to preserve strategies and set points programmed in the control system.
3. Keep usage and maintenance records and share with (Utility Name) as needed.
4. Record any change in facility or equipment use or any other matter that may impact the Performance Assurance Plan or the results thereof. Promptly notify (Utility Name) of these changes.
5. Provide (Utility Name) and its subcontractors access to all facilities that are subject to the Performance Assurance Services.
6. Provide (Utility Name) and its subcontractors access to the Customer's system and energy usage data or energy usage data files to validate savings (spreadsheet or database software format).
7. Perform visual inspection of equipment and systems installed to ensure replacement parts match original specifications.
8. Provide for shut down and scheduling of affected locations during M&V activities, as needed.
9. Beyond agency acceptance of each ECM, the Agency is responsible for implementing any corrective actions identified in connection with the Performance Assurance Services at its own cost.

The Customer acknowledges that (Utility) does not guarantee any level of savings from the ECMs and agrees that unrealized savings or cost reductions are not a basis for failing to make payments under the contract.

Utility Performance Assurances Responsibilities

(Utility Name) will provide the Performance Assurance Services set forth below for each ECM as specified below.

1. Per the TO the utility will access the energy system data to confirm that appropriate strategies are in place and functioning. The energy system data may be used to validate energy savings through logs, trends and compilation of data for all the mechanical equipment installed.
2. Conduct pre- and post-installation measurements, as described in each ECM table below;
3. Provide O&M training, as described in each ECM table below;
4. During equipment and system inspections review the Agency's maintenance records to validate proper O&M has been performed;
5. Record any performance deficiencies and recommended corrections as well as optimization opportunities and include in report.

The utility is responsible for identifying and reporting corrective actions in accordance with the Performance Assurance Plan.

1. EMCS Upgrades

Buildings included: _____

Proposed Performance Assurance Services:

What	When	How
1. Start-up performance verification	Upon completion of installation	- Commission control system to determine whether it performs as designed. Validate controls strategies are programmed in control system. Set trends to track temperature set points, hours of HVAC operation, and other variables applicable to the equipment it controls. Review trend logs after two weeks of operation to verify control settings and proper operation of control strategies, or - Calibrated simulations will be created for this facility utilizing detailed survey data and HVAC equipment short-term metering to determine baseline and potential post-installation energy usage. Controls operating parameters recorded during the system commissioning will be used for calibrated energy model to determine actual post-installation energy use and savings (model shall account for interactions from other ECMs to arrive at an adjusted baseline).
2. Performance Verification at the end of warranty period	Before warranty expires	- Provide physical inspection to verify that the installed equipment and components have been properly maintained (per O&M manual). - Conduct an annual review of controls trends, status and alarm reports to ensure controls set points, algorithms and sequences are as originally specified and performing as intended. - Analyze system response during seasonal changes and adjust program as needed. - Verify system continues to meet operating parameters.
3. O&M Training	Upon completion of installation	- Provide original equipment manufacturer manuals and cutsheets. - O&M personnel will be provided with classroom training with hands-on. demonstration, and include video recording - Provide refresher training throughout contract period as appropriate.
4. On-going training	Agreed upon frequency	
5. Periodic Inspections and Verification	Agreed upon frequency	Apply strategies listed under (1) and (2) above as appropriate.
6. Performance discrepancy resolution	Every time Performance Assurance Service is completed	If the activities described above indicates that equipment is not performing as designed, or being properly operated and maintained, a report will be provided to the Customer informing what corrective actions are needed. The Customer will be responsible for implementing corrective actions at its sole cost.

2. Condensing Boilers

Buildings included: _____

Proposed Performance Assurance Services:

What	When	How
1. Start-up performance verification	Upon completion of installation	- Commission condensing boilers by independent commissioning agent to confirm proper system operation. Validate controls strategies have been programmed and establish trends to track efficiency variables and hours of operation. Review trend logs after two weeks of operation to verify control settings and proper operation of control strategies, or - Post-installation equipment consumption calculated using an energy model including short term measurement of boiler efficiency/combustion measurements and agreed upon operating hours using existing EMCS data (model shall account for interactions from other ECMs to arrive at an adjusted baseline)
2. Performance Verification at the end of warranty period	Before warranty expires	- Provide physical inspection to verify that the installed equipment and its components have been properly maintained and operated (per O&M manual). - Using information from control system, review trends and recorded operating conditions to demonstrate the system performs as designed. Any deviations from the expected conditions will be reported to Customer.
3. O&M Training	Upon completion of installation	- Provide original equipment manufacturer manuals and cutsheets. - O&M personnel will be provided with classroom training with hands-on demonstration, and include video recording. - Provide refresher training throughout contract period as appropriate
4. On-going training	Agreed upon frequency	
5. Periodic Inspections and Verification	Agreed upon frequency	Apply strategies listed under (1) and (2) above as appropriate.
6. Performance discrepancy resolution	Every time Performance Assurance Service is completed	If the activities described above indicates that equipment is not performing as designed, or being properly operated and maintained, a report will be provided to the Customer informing what corrective actions are needed. The Customer will be responsible for implementing corrective actions at its sole cost.

3. Lighting Retrofit

Buildings included: _____

Proposed Performance Assurance Services:

What	When	How
1. Start-up performance verification	Upon completion of installation	• Manufacturer's lamp and ballast power consumption will be used for baseline and post-installation energy demand (kW) calculation. Operating hours shall be determined through short team measurements of sample areas before the retrofit and assumed to remain the same in post scenario, or • Pre- and post-power measurements of lighting fixtures representing each electrically significant fixture configuration will be used for baseline and post-installation energy demand (kW) calculation. Operating hours shall be determined through short team measurements of sample areas before the retrofit and assumed to remain the same in post scenario
2. Performance Verification at the end of warranty period	Before warranty expires	• Provide physical inspection to verify that the installed equipment and its components have been properly maintained and operated. Identify changes in fixture/equipment counts and types based on sample surveys. Any deviations from the expected conditions will be reported to Customer.
3. O&M Training	Upon completion of installation	• Provide original equipment manufacturer manuals and cutsheets • O&M personnel will be provided with classroom training with hands-on demonstration, and include video recording • Provide refresher training throughout contract period as appropriate
4. On-going training	Agreed upon frequency	
5. Periodic Inspections and Verification	Agreed upon frequency	• Apply strategies listed under (1) and (2) above as appropriate
6. Performance discrepancy resolution	Every time Performance Assurance Service is completed	• If the activities described above indicate that equipment is not performing as designed, or being properly operated and maintained, a report will be provided to the Customer informing what corrective actions are needed. The Customer will be responsible for implementing corrective actions at its sole cost.

4. Water Efficiency (Domestic)

Buildings included: _____

Proposed Performance Assurance Services:

What	When	How
1. Start-up performance verification	Upon completion of installation	- Manufacturer's fixture water usage will be applied to pre and post-installation water calculations. Agreed upon frequency of use shall be determined through water balance calculations and customer interviews, or - Pre- and post-water measurements of representative sample of fixture types to water usage and flow rates will be applied to savings calculations. Agreed upon frequency of use shall be determined through water balance calculations and customer interviews
2. Performance Verification at the end of warranty period	Before warranty expires	Provide physical inspection to verify that the installed equipment and its components have been properly maintained and operated. Identify changes in fixture/equipment counts and types based on sample surveys. Any deviations from the expected conditions will be reported to Customer.
3. O&M Training	Upon completion of installation	- Provide original equipment manufacturer manuals and cutsheets - O&M personnel will be provided with classroom training with hands-on demonstration, and include video recording - Provide refresher training throughout contract period as appropriate
4. On-going training	Agreed upon frequency	
5. Periodic Inspections and Verification	Agreed upon frequency	Apply strategies listed under (1) and (2) above as appropriate
6. Performance discrepancy resolution	Every time Performance Assurance Service is completed	If the activities described above indicates that equipment is not performing as designed, or being properly operated and maintained, a report will be provided to the Customer informing what corrective actions are needed. The Customer will be responsible for implementing corrective actions at its sole cost.

5. HVAC Equipment and AHU Replacement

Buildings included: _____

Proposed Performance Assurance Services:

What	When	How
1. Start-up performance verification	Upon completion of installation	- Commissioning AHUs by independent commissioning agent to confirm proper system operation. Validate controls strategies have been programmed and establish trends to track operation of variable speed drives, operating hours and set points. Review trend logs after two weeks of operation to verify control settings and proper operation of control strategies, or - Pre and post fan motor power and air flow measurements for a sample of air handling units (AHUs). Monitor operating hours for select motors using existing EMCS data or data loggers sensing space temperature to confirm whether equipment runs continuously. Monitoring duct and space temperatures using existing EMCS data or data loggers sensing space temperature. Pre and post energy use and demand calculated using energy model including monitored/trended values. (model shall account for interactions from other ECMs to arrive at an adjusted baseline)
2. Performance Verification at the end of warranty period	Before warranty expires	- Provide physical inspection to verify that the installed equipment and its components have been properly maintained and operated (per O&M manual). - Using information from control system, review trends and recorded operating conditions to demonstrate the system performs as designed. Any deviations from the expected conditions will be reported to Customer.
3. O&M Training	Upon completion of installation	- Provide original equipment manufacturer manuals and cutsheets - O&M personnel will be provided with classroom training with hands-on demonstration, and include video recording
4. On-going training	Agreed upon frequency	Provide refresher training throughout contract period as appropriate
5. Periodic Inspections and Verification	Agreed upon frequency	Apply strategies listed under (1) and (2) above as appropriate
6. Performance discrepancy resolution	Every time Performance Assurance Service is completed	If the activities described above indicates that equipment is not performing as designed, or being properly operated and maintained, a report will be provided to the Customer informing what corrective actions are needed. The Customer will be responsible for implementing corrective actions at its sole cost.

6. Chiller Replacement

Buildings included: _____

Proposed Performance Assurance Services:

What	When	How
1. Start-up performance verification	Upon completion of installation	- Commissioning chiller system by independent commissioning agent to confirm proper operation. Validate controls strategies have been programmed and establish trends to track operation of BTU consumption, variable speed drives, operating hours and set points. Review trend logs after two weeks of operation to verify control settings and proper operation of control strategies, or - Pre and post installation chiller efficiency from manufacturer's data and chiller amperage, operating hours and cooling load mutually agreed using recorded logs and EMCS data to the extent available. Baseline energy use and demand calculated using a bin model (model shall account for interactions from other ECMs to arrive at an adjusted baseline)
2. Performance Verification at the end of warranty period	Before warranty expires	- Provide physical inspection to verify that the installed equipment and its components have been properly maintained and operated (per O&M manual). - Using information from control system, review trends and recorded operating conditions to demonstrate the system performs as designed. Any deviations from the expected conditions will be reported to Customer.
3. O&M Training	Upon completion of installation	Provide original equipment manufacturer manuals and cutsheets
4. On-going training	Agreed upon frequency	- O&M personnel will be provided with classroom training with hands-on demonstration, and include video recording - Provide refresher training throughout contract period as appropriate
5. Periodic Inspections and Verification	Agreed upon frequency	Apply strategies listed under (1) and (2) above as appropriate
6. Performance discrepancy resolution	Every time Performance Assurance Service is completed	If the activities described above indicates that equipment is not performing as designed, or being properly operated and maintained, a report will be provided to the Customer informing what corrective actions are needed. The Customer will be responsible for implementing corrective actions at its sole cost.

7. Photovoltaic System

Buildings included: _____

Proposed Performance Assurance Services:

What	When	How
1. Start-up performance verification	Upon completion of installation	Physical inspection, array testing, and complete system testing as per IEC 62446 Grid Connected Photovoltaic Systems-Minimum Requirements for System Documentation, Commissioning Tests, and Inspections (2009 or most recent), which requires documentation of the system, array testing, and whole-system performance test (applicable to commercial, industrial and utility-scale systems). For PV module strings that do not provide precisely the open circuit voltage and short circuit current expected for the conditions, I-V curve testing shall also be conducted to identify the problem.
2. Performance Verification at the end of warranty period	Before warranty expires	Physical inspection of PV modules and array. Infrared camera inspection of array, combiner boxes, inverter fuse holders and switchgear; torque any loose connections. Electrical inspection. Check all fuses and position of all switches and disconnects. System performance test- report Performance Ratio, and also Temperature-Corrected Performance Ratio, and Performance Ratios based on either Standard Test Condition data or Performance Test Condition Data as per IEC 61724.
3. O&M Training	Upon completion of installation	- Provide original equipment manufacturer manuals and cutsheets. - O&M personnel will be provided with classroom training with hands-on demonstration, and include video recording - Video recording of the O&M training shall be available for new staff. Also consider the FEMP eTraining O&M Best Practices for Small Scale Photovoltaic Technology - Provide refresher training throughout contract period as appropriate
4. On-going training	Agreed upon frequency	
5. Periodic Inspections and Verification	Agreed upon frequency	Provide system monitoring and data presentation according to transparent measurement protocols and procedures. The approach depends on the size of the system and associated savings/revenue. IEC 61724 "Photovoltaic System Performance Monitoring –Guidelines for Measurement, Data Exchange and Analysis" has classifications of monitoring system (A, B, C), and the O&M related to monitoring depends on the system class. Communications protocols with facility energy information system as per IEC 61850-90-7 — Object Models for Photovoltaic, Storage and other DER inverters.
6. Performance discrepancy resolution	Every time Performance Assurance Service is completed	If the activities described above indicates that equipment is not performing as designed, or being properly operated and maintained, a report will be provided to the Customer informing what corrective actions are needed. The Customer will be responsible for implementing corrective actions at its sole cost.

Performance Assurance Report

Following the anniversary of the Performance Assurance Services, and within (60 - 90) days after receipt of applicable Customer data, (Utility Name) will provide the Customer with a report for first xxx number of years of the contract containing the following:

Report Content:

1. project's performance and savings achieved to date;
2. identify if control strategies are in place and functioning;
3. identify if proper O&M has been performed;
4. describe performance deficiencies
5. describe opportunities to enhance equipment performance

Utility Reporting Responsibility:

1. notify the agency that the report is forthcoming
2. set up a site meeting to discuss the report
3. work with the agency's qualified witnesses
4. review the M&V report for operational findings for follow-up

Notice to Proceed to IGA – Sample

This sample of a notice to proceed provides instructions, agency contacts, and the official notice to proceed with the IGA.

Archived

Notice to Proceed to IGA Sample

FEMP UESC Workshop

U.S. Department of
Homeland Security

United States
Coast Guard



Commanding Officer
United States Coast Guard
Civil Engineering Unit

NTP to FS - Sample, p. 1

1240 East Ninth Street
Room 2179
Cleveland Ohio 44119-2060
Staff Symbol: CP
Phone: (216) 902-6216
Fax: (216) 902-6278
Email: Pamela.M.Komer@uscg.mil

EMAIL 9/13/2010

09/13/2010

NOTICE TO PROCEED

Florida Power & Light Co.
Attn: Ed Anderson
6801 Village Blvd.
West Palm Beach, FL 33407-1998

SUBJ: GS-00P-05-BSD-0347

Florida Power & Light (FPL) has been selected to perform a UESC, in accordance with FPL's GSA Area-wide Agreement. The UESC covers USCG Base Support Unit (BSU) and Air Station located in Miami, FL. Specific list of building to be included in the study will be provided after consultation with site personnel. It is anticipated that the study may be expanded to include other USCG facilities in the FPL service territory.

This letter shall serve as the Notice to Proceed (NTP) to commence with the Feasibility Study at the aforementioned commands. In addition to the standard energy and water conservation measures investigated as part of a Feasibility Study, it is also requested that the study shall also incorporate:

1. Renewables
2. Commissioning
3. Identify available Tax Credits.

The Feasibility Study shall be submitted via email to the undersigned Contracting Officer, Mr. Maestas (jesse.l.maestas@uscg.mil) and Charlotte Armstrong (charlotte.m.armstrong@uscg.mil). In addition, one hard copy shall be sent to the Contracting Officer. The Study is due no later than 14 January 2011. It is understood that the Study will be performed at no cost or obligation to the USCG.

All correspondence and contractual questions shall be addressed to the Contracting Officer, Attn: Ms. Pamela M. Komer. Please ensure all emails (subject line), correspondence etc. appear as "Miami UESC - Topic. The Contracting Officer shall be copied on all emails.

Sincerely,

PAMELA M. KOMER
Contracting Officer

FAR Clauses for UESC

COs should ensure that they use current FAR clauses for their TOs.

1. Included by Reference in the AWC Sample
2. Included in the EMSA, AWC Exhibit Sample
3. Included in the Model Agreement
4. Included in the TO - U.S. Coast Guard (USCG) Sample

Included by Reference in the AWC – Sample

GSA AWCs list FAR Clauses specific to utility services and generally included in Government contracts.

FAR Clauses Included by Reference in the AWC Sample

ARTICLE 14. SUPPLEMENTAL CLAUSES.

14.1.

Clauses Incorporated by Reference (FAR 52.252-2) (JUN 1988).

This contract incorporates the following clauses by reference, with the same force and effect as if they were given in full text. Upon request, the CO will make their full text available.

No.	FAR REF	FAR Clause
(1)	52.202-1	Definitions (OCT 1995)
(2)	52.203-3	Gratuities (APR 1984)
(3)	52.203-5	Covenant Against Contingent Fees (APR 1984)
(4)	52.203-6	Restrictions on Subcontractor Sales to the Government (JUL 1995)
(5)	52.203-7	Anti-Kickback Procedures (JUL 1995)
(6)	52.203-8 (JAN 1997)	Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity
(7)	52.204-4	Printing/Copying Double-Sided on Recycled Paper (JUN 1996)
(8)	52.209-6	Protecting the Government's Interest When Subcontracting With Contractors Debarred, Suspended, or Proposed for Debarment (JUL 1995)
(9)	52.219-8	Utilization of Small Business Concerns (OCT 1999)
(10)	52.219-9	Small Business Subcontracting Plan (OCT 1999)
(11)	52.222-26	Equal Opportunity (APR 1984)
(12)	52.223-2	Clean Air and Water (APR 1984)
(13)	52.223-14	Toxic Chemical Release Reporting
(14)	52.232-23	Assignment of Claims (JAN 1986)
(15)	52.232-34	Electronic Funds Transfer Payment
(16)	52.233-1	Disputes (OCT 1995) (Alternate I)(DEC 1991)

- (17) 52.237-2 Protection of Government Buildings, Equipment, and Vegetation (APR 1984)
- (18) 52.241-2 Order of Precedence - Utilities
- (19) 52.241-4 Change in Class of Service
- (20) 52.241-5 Contractor's Facilities
- (21) 52.241-11 Multiple Service Locations
- (22) 52.242-13 Bankruptcy (JUL 1995)
- (23) 52.243-1 Changes-Fixed Price (AUG 1987)
- (24) 52.244-5 (Alt.I) (APR 1984) Competition in Subcontracting (Dec 1996)
- (25) 52.249-2 Termination for Convenience of the Government (Fixed Price)
(SEP 1996) Alternate I (SEP 1996)
- (26) 52.253-1 Computer Generated Forms (JAN 1991)

Included in the EMSA, AWC Exhibit – Sample

The EMSA incorporates FAR clauses by reference.

FAR Clauses Included in EMSA Sample
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CLAUSES INCORPORATED BY REFERENCE (Check applicable clauses):

- (1) ___ 52.211-10 Commencement, Prosecution and Completion of Work (APR 1984)
- (2) ___ 52.232-5 Payments under Fixed-Price Construction Contracts (SEP 2002) -- Supersedes provisions of payment clauses in Article 14.
- (3) ___ 52.2332-27 Prompt Payment for Construction Contracts (FEB 2002)
- (4) ___ 52.236-5 Material and Workmanship (APR 1984)
- (5) ___ 52.241-8 Change in Rates or Terms and Conditions of Service for Unregulated Services (FEB 1995) (Use full Text of Clause)
- (6) ___ 52.243-1 Changes-Fixed Price (AUG 1987)
- (7) ___ 52.249-___ Default (_____) (Specify appropriate Clause)

In addition, the CO negotiating the terms and conditions under this authorization shall supplement the above-referenced clauses with clauses for the appropriate type of contract.

Included in the Model Agreement – Sample

The Model Agreement is often used as a starting point for a Master Agreement for energy management services between the agency and the utility. The following are FAR clauses included in the UESC Model Agreement (see *Enabling Documents*, page 166).

FAR Clauses Included in the Model Agreement Sample	
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GC.23 Required FAR Clauses.

- | | |
|-----------|-----------------------------------|
| 52.203-3 | Gratuities, |
| 52.203-5 | Covenant Against Contingent Fees, |
| 52.203-7 | Anti-Kickback Procedures, |
| 52.222-3 | Convict Labor, |
| 52.222-25 | Affirmative Action Compliance, |
| 52.222-26 | Equal Opportunity, |
| 52.223-6 | Drug Free Workplace, |
| 52.233-1 | Disputes. |

Included in the TO – Sample

Each UESC TO may include project-specific FAR clauses and other clauses by reference. Should there be conflict between them, the TO has precedence. The following sample from the USCG includes an extensive list of FAR clauses.

FAR Clauses in a UESC TO Sample

Additional FAR Clauses not incorporated in the GSA Area-wide GS-00P-05-BSD-0347

FAR 52.252-2 Clauses Incorporated by Reference (FEB 1998).

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the CO will make their full text available. Upon request, the full text of a clause may be accessed electronically at this/these address(es):

<http://www.arnet.gov/far> <http://farsite.hill.af.mil/vffar1.htm>

I. FAR (48 CFR CHAPTER 1) CLAUSES

- 52.203-10 Price or Fee Adjustment for Illegal or Improper Activity (JAN 1997).
- 52.203-12 Limitation of Payments to Influence Certain Federal Transactions (OCT 2010).
- 52.204-7 Central Contractor Registration (APR 2008).
- 52.204-9 Personnel Identity Verification of Contractor Personnel (JAN 2011).
- 52.204-10 Reporting Executive Compensation and First-Tier Subcontract Awards (JUL 2010)
- 52.215-2 Audit and Records- Negotiation (OCT 2010).
- 52.215-8 Order of Precedence-Uniform Contract Format (OCT 1997).
- 52.219-14 Limitations on Subcontracting (DEC 1996).
The concern will perform at least **25 percent** of the cost of the contract, not including the cost of materials, with its own employees.
- 52.222-3 Convict Labor (JUNE 2003).
- 52.222-4 Contract Work Hours and Safety Standards Act-- Overtime Compensation (JULY 2005).
- 52.222-6 Davis-Bacon Act (JULY 2005).
- 52.222-7 Withholding of Funds (FEB 1988).
- 52.222-8 Payrolls and Basic Records (JUN 2010).
- 52.222-9 Apprentices and Trainees (JULY 2005).
- 52.222-10 Compliance with Copeland Act Requirements (FEB 1988).
- 52.222-11 Subcontracts (Labor Standards) (JULY 2005).
- 52.222-12 Contract Termination - Debarment (FEB 1988).
- 52.222-13 Compliance with Davis-Bacon and Related Act Regulations (FEB 1988).
- 52.222-14 Disputes Concerning Labor Standards (FEB 1988).
- 52.222-15 Certification of Eligibility (FEB 1988).
- 52.222-27 Affirmative Action Compliance Requirements for Construction (FEB 1999).

- 52.222-35 Equal Opportunity for Veterans (SEPT 2010).
- 52.222-36 Affirmative Action for Workers with Disabilities (OCT 2010).
- 52.222-37 Employment Reports Veterans (SEPT 2010).
- 52.222-38 Compliance with Veterans' Employment Reporting Requirements (SEP 2010).
- 52.222-40 Notification of Employee Rights Under the National Labor Relations Act (DEC 2010)
- 52.222-50 Combating Trafficking in Persons (FEB 2009).
- 52.222-54 Employment Eligibility Verification (JAN 2009).
- 52.223-2 Affirmative Procurement of Biobased Products Under Service and Construction Contracts (DEC 2007)
- 52.223-5 Pollution Prevention and Right-to-Know Information (AUG 2003).
- 52.223-6 Drug-Free Workplace (MAY 2001).
- 52.223-15 Energy Efficiency in Energy Consuming Products (DEC 2007).
- 52.223-18 Contractor Policy to Ban Text Messages While Driving (SEPT 2010).
- 52.225-13 Restrictions on Certain Foreign Purchases (JUN 2008).
- 52.227-1 Authorization and Consent (DEC 2007).
- 52.227-2 Notice and Assistance Regarding Patent and Copyright Infringement (DEC 2007).
- 52.227-4 Patent Indemnity--Construction Contracts (DEC 2007).
- 52.228-2 Additional Bond Security (OCT 1997).
- 52.228-5 Insurance--Work on a Government Installation (JAN 1997).
- 52.228-11 Pledges of Assets (SEP 2009).
- 52.228-12 Prospective Subcontractor Requests for Bonds (OCT 1995).
- 52.228-14 Irrevocable Letter of Credit (DEC 1999).
- 52.228-15 Performance and Payment Bonds - Construction (OCT 2010).
- 52.229-4 Federal, State, and Local Taxes (State and Local Adjustments) (APR 2003).
- 52.232-5 Payments Under Fixed-Price Construction Contracts (SEPT 2002).
- 52.232-17 Interest (OCT 2010).
- 52.232-19 Availability of Funds for the Next Fiscal Year (APR 1984). (9/30/2011)
- 52.232-27 Prompt Payment for Construction Contracts (OCT 2008).
 The due date for making PROGRESS PAYMENTS shall be 30 days after receipt of the payment request by the designated billing office.
 FINAL PAYMENT shall be 30 days after receipt of the payment request by the designated billing office.
- 52.232-33 Payment by Electronic Funds Transfer— Central Contractor Registration (OCT 2003). Please register via the following website:
<http://www.ccr.gov>.
- 52.233-3 Protest After Award (AUG 1996).
- 52.233-4 Applicable Law for Breach of Contract Claims (OCT 2004).
- 52.236-2 Differing Site Conditions (APR 1984).
- 52.236-3 Site Investigation and Conditions Affecting the Work (APR 1984).
- 52.236-5 Material and Workmanship (APR 1984).
- 52.236-6 Superintendence by the Contractor (APR 1984).
- 52.236-7 Permits and Responsibilities (NOV 1991).
- 52.236-8 Other Contracts (APR 1984).
- 52.236-9 Protection of Existing Vegetation, Structures, Equipment, Utilities, and

- Improvements (APR 1984).
- 52.236-10 Operations and Storage Areas (APR 1984).
- 52.236-11 Use and Possession Prior to Completion (APR 1984).
- 52.236-12 Cleaning Up (APR 1984).
- 52.236-13 Accident Prevention (NOV 1991).
- 52.236-14 Availability and Use of Utility Services (APR 1984).
- 52.236-15 Schedules for Construction Contracts (APR 1984).
- 52.236-17 Layout of Work (APR 1984).
- 52.236-21 Specifications & Drawings for Construction (FEB 1997) (ALT 1) (APR 1984).
- 52.236-26 Preconstruction Conference (FEB 1995).
- 52.241-3 Scope and Duration of Contract (FEB 1995).
- 52.241-4 Change in Class of Service (FEB 1995).
- 52.241-7 Change in Rates or Terms and Conditions of Service for Regulated Services (FEB 1995).
- 52.241-11 Multiple Service Locations (FEB 1995).
- 52.242-14 Suspension of Work (APR 1984)
- 52.243-4 Changes (JUNE 2007).
- 52.244-6 Subcontracts for Commercial Items (DEC 2010).
- 52.246-21 Warranty of Construction (MARCH 1994).
- 52.249-10 Default (Fixed-Price Construction) (APR 1984).

**I-2. II. DEPARTMENT OF HOMELAND SECURITY ACQUISITION
REGULATION (48 CFR CHAPTER 30 CLAUSES)**

- 3052.222-70 Strikes or Picketing Affecting Timely Completion of the Contract Work (DEC 2003).
- 3052.222-71 Strikes or Picketing Affecting Access to a DHS Facility (DEC 2003).
- 3052.222-90 Local Hire (JUNE 2006).
- 3052.223-70 Removal or Disposal of Hazardous Substances – Applicable Licenses and Permits (JUNE 2006). (30 Days)

The contractor shall complete the following:

The contractor certifies that is has [] does not have [] all licenses and permits required by Federal, state, and local laws to perform hazardous substance(s) removal or disposal services.

- 3052.223-90 Accident and Fire Reporting (DEC 2003).
- 3052.228-70 Insurance (DEC 2003).
- 3052.228-90 Notification of Miller Act Payment Bond Protection (DEC 2003).

(c) The surety which has provided the payment bond under the prime contract is:

NAME: _____
 STREET ADDRESS: _____
 CITY, STATE, ZIP CODE: _____
 CONTACT & TEL. NO: _____

3052.242-71 Dissemination of Contract Information (DEC 2003)

3052.242-72 Contracting Officer's Technical Representative (COTR) (DEC 2003).

FAR 52.211-10 Commencement, Prosecution & Completion of Work (APR 1984).

The Contractor shall be required to (a) commence work under this contract within 10 calendar days, (b) prosecute the work diligently, and (c) complete the entire contract within **398 calendar days** after receipt of a Notice to Proceed. The time stated for completion shall include final cleanup of the premises.

The Performance Period includes **0** weather days. The definition of weather day is as follows: A weather day must prevent work for 50 percent or more of the Contractor work day and delay work critical to the timely completion of the project. If the number of actual weather days exceeds the number of days anticipated by the Coast Guard, then the CO may convert the qualifying days to calendar days and issue a modification in accordance with the contract clause entitled "Default (Fixed Price Construction)."

SUPERINTENDENCE BY CONTRACTOR – In accordance with FAR 52.236-6, Superintendence by the Contractor, the contractor shall directly oversee all work or have on the worksite a competent superintendent who is satisfactory to the CO and who has authority to act for the contractor. The superintendent cannot be designated for more than one contract while on-site work is being performed. (The superintendent and alternate shall be an employee of the prime contractor). The profile/summary shall include an outline of the superintendent's qualifications and the extent of his authority.

Special Notice: The Superintendent and Alternate shall have the ability to speak, read and write English fluently.

MODIFICATION PROPOSALS – PRICE BREAKDOWN

(a) The Contractor shall furnish a price breakdown, itemized as required and within the time specified by the CO, with any proposal for a contract modification.

(b) The price breakdown--

1. Must include sufficient detail to permit an analysis of profit, and of all costs for--

- (i) Material
- (ii) Labor
- (iii) Equipment
- (iv) Subcontracts; and
- (v) OH; and

2. Must cover all work involved in the modification, whether the work was deleted, added or changed.

(c) The contractor shall provide similar price breakdown to support any amounts claimed for subcontracts.

(d) The contractor's proposal shall include a justification for any time extension proposed.

DAILY REPORTS

The contractor is required to complete a Daily Report for each day of work. The report shall be signed by the Superintendent and forwarded to the COTR at the end of each work day or no later than 10:00 a.m. the next work day. The Daily Report form is provided as an attachment to the solicitation.

NOTE: A separate Daily Report will be required for each specific job location.

ORIGINAL INVOICE to be submitted directly to: (Invoices shall be marked with the Contract, TO and DUNS Number)

CO
USCG Civil Engineering Unit
Attn: Pamela M. Komer
1240 East Ninth Street, Room 2179
Cleveland, OH 44199-2060

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Letter Requesting an FFP Offer for D&I – Template

After the IGA is final, the project scope is clearly defined and priced. The CO will request in writing a firm-fixed price (FFP) offer with financing terms for completion of the D&I of the project.

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Letter Requesting an FFP Offer for D&I Template

Date

Utility

Attn.: Point of Contact (POC)

Address

RE: Letter Requesting FFP for D&I of UESC, Facility Name and Address

Dear POC,

The U.S. Agency / Contracting Office is planning to issue a contract pursuant to the terms and conditions of GSA AWC Agreement GS-XXX-XX-XXX-XXXX. The proposed Order will require Utility to accomplish the final D&I for the Site ECMs defined and priced in the completed IGA prepared by your office (referenced by title/date) and received and reviewed by Name of CO. You are requested to develop and submit an FFP with financing terms for D&I to this office prior to close of business, Date.

This letter is only a request for final pricing and does not constitute authorization to proceed with the work. All contractual correspondence should be directed to Name of CO / email / Phone #. Technical questions shall be directed to Name of Engineer / email / Phone #. Please provide acknowledgement of receipt of this request, first by email, followed by a phone call to the CO. Failure to acknowledge receipt of this letter will be assumed to demonstrate no interest in further involvement in project development.

Sincerely,

Name

CO

Encl.:

Insert list enclosures, e.g.:

- SOW including reference to the accepted final version of the IGA Report
- List of ECMs
- Agency POCs for D&I

Business Clearance Memorandum – Sample

The business clearance memorandum typically includes acquisition background, technical and financial evaluation outcomes, a pre-negotiation position, request to negotiate and approval to negotiate, and a determination of reasonable pricing and recommendation to award the contract.

Non-competitive Pre/Post-Negotiation Business Clearance Memorandum (>\$650k) Sample

SECTION I. SUMMARY OF KEY DOCUMENTS AND ATTACHMENTS

A. Summary of Key Documents:

No Commitment of Funds is required. This will be a Third-Party financed project. Payments will be made from savings derived from implementation of the project.

Synopsis of proposed action. (FAR 5.201)

J&A to use other than full and open competition. (FAR 6.303) [include when applicable]

B. List of Attachments:

Attachment (1)	Concept for UESC
Attachment (2)	Authority to proceed with ECP
Attachment (3)	Letter to Utility to develop PA or IGA as applicable
Attachment (4)	Receipt of final version of assessment
Attachment (5)	Estimate of Design Cost
Attachment (6)	Approval to enter into Design phase
Attachment (7)	Notice of Intent
Attachment (9)	Responsibility Determination
Attachment (10)	Life Cycle Cost Analysis (LCCA)
Attachment (11)	Government Review Comments
Attachment (12)	Revised design
Attachment (13)	Documentation of Competitive Solicitation Practices
Attachment (14)	GSA price schedule for utility ESCO contractor
Attachment (15)	Utility Final LCCA for Project

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SECTION II. BACKGROUND

A. Acquisition Purpose/Procurement History.

In order to meet the requirements of the EPACT and EO 13423, the project site engineering office has requested that we pursue a project to reduce energy consumption for project site name, buildings, systems, and location.

This request was based on research of energy consumption at these facilities conducted by project site engineering office (Attachment 1). The project site engineering office presented its findings to the project site engineering office manager who concurred with the decision to pursue a UESC. A request to pursue a UESC was forwarded to approving manager's office and subsequently approved by approving manager.

The Utility name is a regulated utility that provides electricity / natural gas service(s) to project site name. Agency name has established a utility service(s) agreement with Utility name agreement under GSA AWC No. GS-XXX-XX-XXX-XXXX (AWC). Exhibit "C", EMSA under Contract No. GS-XXX-XX-XXX-XXXX is provided as a vehicle (TO) by which to contract with the Utility to install energy saving equipment if the potential for savings are demonstrated to be greater than the cost of implementing those measures. Utility name has agreed to provide initial studies, referred to as PAs / Feasibility Studies, to the Government at no cost (or agreed cost). The Utility name offers to provide this service to the Government in order to reduce the electrical / natural gas / water service demand (DSM) on the Utility. The Government issued a letter to the Utility on date requesting a no-cost PA offered under the terms and conditions of the letter (Attachment 3). The Government identified some potential ECMs for the Utility company's investigation based on its knowledge of existing conditions and allowed the Utility to fully assess the facilities to identify all potential ECMs.

Utility name began its investigation of facilities, sharing information with the Government as the audit developed. After several iterations of the PA, the Utility submitted its final revision of the PA (Attachment 4). The Government team consisting of names of offices of involved agency staff, engineer and CO reviewed the proposed ECMs and associated LCCA. In addition to the technical review of ECMs and proposed equipment, the Government also reviewed the breakout of the estimated costs for design of the project, should the Government elect to go forward. The projection of cost for design was cost in dollars. (Attachment 5).

The following table depicts the estimated construction cost for the project and the estimated costs for the project development/design:

Total Estimate Construction Cost

construction cost in dollars

Estimated Project Development Cost

design cost in dollars

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The estimated cost for project development/design was % of the estimated cost of the construction for the project. The rates proposed for the design effort were compared to the burdened rates of the current A&E IDIQ contract No. xxx, awarded to name of contractor. The IDIQ contract was competitively solicited with more than one offer received. (for example) The following table provides a snapshot comparison of the primary engineering rates:

<u>Discipline</u>	<u>Example Rates</u>	<u>Proposed Design Rates</u>
Project Manager	\$190.00	\$150.00
Mechanical Engineer	\$110.00	\$150.00
Electrical Engineer	\$160.00	\$150.00
Draftsmen II	\$ 70.00	\$ 70.00
Clerical II	\$ 60.00	\$ 45.00

The review team concluded that the proposed measures had the potential for reducing energy consumption and that the estimated cost of construction would be less than the potential savings to be derived. The estimated cost for design to develop the project to a firm fixed price proposal can be determined to be fair and reasonable by comparison to the above competitively awarded IDIQ design rates. The team briefed the project site engineering office manager who concurred with the team's findings and briefed the approving manager, recommending that the Government proceed with requesting final design. The approving manager agreed with the recommendation and gave authorization to proceed to design on date.

B. Contract Type.

GSA AWC No. GS-XXX-XX-XXX-XXXX (AWC) was used to establish a service agreement between the Government and Utility name, the local franchised electric / natural gas utility company servicing project site and location. Exhibit "C", EMSA under Contract No. GS-XXX-XX-XXX-XXXX is provided as a vehicle (TO) to contract with the Utility to reduce energy consumption.

In accordance with 42 USC 8256, statutory authority exists to enter into sole source contracts with local utility companies that provide DSM services to reduce energy consumption. The TO will be a firm, fixed price contract.

C. Special Provisions.

The TO will be a financed project. No Government funds will be provided for issuance of the TO; rather, the project will be paid for from the savings realized from implementation of the project.

D. Extent Competition Solicited and Secured.

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As authorized by 42 USC 8256, authority exists to enter into sole source contracts with utility companies for energy conservation and DSM services.

A Notice of Intent (NOI) to contract with a certain utility company in order to fully ascertain that no other utility company could also qualify as a source. A NOI was transmitted to the government-wide point of entry via the Internet at <http://fedbizopps.gov> (Attachment 7). No responses from other utility companies were received. [describe the process used for utility selection].

In accordance with FAR, Part 6.3, a J&A for the use of Other Than Full and Open Competition is/is not required.

A J&A was prepared date and submitted to the cognizant authorities for review and approval. Approval was received on date (Attachment 8). [When agency counsel determines a J&A is not required, save the determination document to the file]

E. Compliance and Responsibility:

The Utility name is registered in the required government databases. An on-line search was made of the Central Contractor Registration (CCR) database, On-Line Representations and Certifications (ORCA) and the Excluded Parties List System (EPLS) (Attachment 9). The Utility is current in CCR and ORCA and is not found on EPLS. [insert process for verification]

SECTION III. EVALUATION/ANALYSIS AND OBJECTIVE

[insert process for evaluation / analysis and project objective]

The Utility company submitted a 65% design package for Government review on (date); it was insufficient for evaluation, lacking essential information and breakout of pricing. The Utility was advised that the submittal was rejected. The Government advised the Utility to provide additional details in the 100% design package.

The 100% proposal for implementation of ECMs was delivered on date (Attachment 10). The technical package was routed for comments to the Fire Inspector, Environmental, Safety, Security, Communications, Utilities office, Building Managers, Engineering, (others).

The CO and the project manager initially reviewed the LCCA form contained in the 100% proposal to determine the project cost was less than the calculated energy savings. Data submitted indicated a construction project of (insert cost \$) with a loan term of (insert # of years) at a finance rate of (insert %). The annual savings were projected to be (insert calculated savings \$). Payments were structured to be less than the savings. The project appeared to be viable. The agency team compiled comments and questions during proposal review for utility response prior to Government entering negotiations with

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the Utility. The Utility provided a spreadsheet indicating competitive proposals had been received; information to support the competitive procedures and a detailed breakdown of pricing for proposals received without competition were requested. The Government's questions were forwarded to the Utility and its ESCO on date (Attachment 11).

In response to the Government's comments, the Utility submitted additional data on date (Attachment 12). As part of this proposal, the Utility provided evidence of competitive pricing among the installing subcontractors (Attachment 13) as well as a detailed breakout of pricing for work to be performed by contractors on a non-competitive basis (Attachment 14).

SECTION IV. OTHER INFORMATION N/A

SECTION V. NON-PRICE EVALUATION

The Government team reconvened to review the revised proposal. Technical reviewers included:

Name / Title / Office / Office location

[insert process and conclusion of technical evaluation]

The technical team analyzed the details of the proposed ECMs to determine if the proposed work was appropriate for the various facilities and if the measures would enhance the efficient operation of those facilities. In addition, the team reviewed the Utility's projection of energy savings to be derived from the installation of the proposed equipment. The team concluded that the measures proposed were appropriate for the facilities and should result in the reduction of energy indicated by the Utility at the facilities.

VI. PRICE/COST ANALYSIS

[insert process and conclusion of financial evaluation]

Four (4) groups of ECMs were proposed for this contract consisting of mechanical, electrical, lighting, and water conservation. The ESCO provided full disclosure of their Requests for Proposal to each of the subcontractors considered for the various trades (Attachment 13).

The following tables list the contractors who competed for the four categories of the work and their pricing. The ESCO for the Utility company based its selection of subcontractors using Best Value

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techniques to determine the contractor whose proposal represented the best value to the government, both from technical and price considerations. The contractor selected by the Utility/ESCO is highlighted:

MECHANICAL BIDDERS	PRICING
Subcontractor #1 name	\$2,000,000.00
Subcontractor #2 name	\$2,300,000.00
Subcontractor #3 name	\$2,500,000.00
Subcontractor #4 name	\$2,600,000.00

Selection of the Mechanical contractor was made to the lowest priced offeror.

ELECTRICAL BIDDERS	PRICING
Subcontractor #1 name	\$250,000.00
Subcontractor #2 name	\$210,000.00
Subcontractor #3 name	\$240,000.00

Selection of the Electrical contractor was made using best value techniques. Sub #1 price was X% (\$) higher than Sub #3 and Y% (\$) higher than Sub #2. The Utility Company determined Sub #1 to be the highest rated technically among the offerors.

Engineering staff is familiar with each of the firms and concurred that Sub #1 has the best knowledge of the facilities and is the most technically competent of the firms who submitted proposals for the electrical work. No formal Source Selection Plan or procedures described under FAR Part 15 are required for the acquisition of UESC. The government relies upon the business judgment of the Utility company in soliciting for subcontracting opportunities in accordance with its commercial business practices. The AWC does not specify or require the Utility to use Government Source Selection Procedures defined in Part 15 of the FAR. The Government has no reason to question the Utility's selection of Sub #1 as the contractor offering the Best Value to the Government for the electrical work.

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LIGHTING

PRICING

Subcontractor name #1 **\$950,000.00**

Subcontractor name #2 \$890,000.00

Both subcontractors were competitive in the main areas of lighting work. Sub #2 did not respond with a bid addressing all elements of work for lighting ECMs. Since Sub #2 price was less than Sub #1 however, it did not address work estimated to cost \$80,000, staff and utility engineers determined Sub #2 bid price would total approximately \$960,000.00. The Government concurs with the selection of Sub #1.

WATER CONSERVATION

PRICING

Subcontractor name #1 **\$31,000.00**

Subcontractor name #2 \$42,000.00

Selection of the Water Conservation contractor was made to the lowest priced Offeror.

Non-competitive Subcontractor Pricing: (Contractor name) is the sole source provider of (Direct Digital Controls (DDC)) as determined by (J&A signed by name, title). As such, there is no competition for the engineering, equipment, installation, and management to be provided for the project. In order to determine that contractor's pricing is fair and reasonable, data was provided (Attachment) for the Government's analysis.

Pricing is based largely on the contractor's GSA schedule, GS-xxx-xxxx. GSA CO made a determination on fair and reasonable pricing prior to awarding a Federal Supply Schedule. Therefore, the Government will not challenge the labor rates or materials pricing on their current Schedule.

Contractor has proposed labor categories including Specialist, Project Manager, Engineer, and Electric Installer. The following table compares the GSA schedule price ranges and the pricing proposed by contractor for these labor categories:

<u>GSA Labor Mix and Price Range</u>		<u>Contractor Proposed Price</u>
Specialist	\$68.43 - \$117.54	Specialist \$ 80.00
Project Manager	\$87.32 - \$169.12	Proj Mgr \$115.00

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Engineer \$75.56 - \$171.28

Engineer \$ 90.00

Electric Installer \$57.09 - \$169.26

E Installer \$ 70.00

The Contractor's proposed pricing is within the ranges determined fair and reasonable by GSA. In addition, Attachment 14 lists the applicable engineering rates for Project site location, which are identical to the contractor's proposed rates.

Additional Engineering Pricing: Due to changes directed by the Government during project development, additional engineering was required. Attachment 15 contains reasoning and explanation for the additional engineering costs. Rates proposed are in accordance with the original rates proposed for this project which have been determined to be fair and reasonable. This contract was competitively awarded.

The engineering members of the review team, have reviewed the data and agree the additional work was required due to Government requested changes. They concurred that the amount of time listed for the design effort is appropriate.

[include description of the ECM changes directed by the government]

Finance Rate:

[include process for evaluating financing]

Attachment 15 contains evidence of competition among lenders to finance the project. Five lenders were solicited by the Utility and each lender responded to the solicitation. The following table shows the initial interest rates offered by the various lenders.

Since the initial offer, due to the time between the initial offer and the date at which a firm fixed price for the contract was negotiated, the current interest rate is 4.61%.

Company	Spread	Index Source	Index Rate	Interest Rate	Termination
Dominion Federal Corp	2.00%	10 yr Treasury	2.50%	4.5000%	3%
Guggenheim Capital Markets, LLC	2.08%	8.817 WAL Treasury	2.26%	4.3400%	5%

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Banc of America Public Capital Corp	2.60%	10 yr Treasury	2.53%	5.1300%	3%
Siemens Financial Services, Inc.	2.46%	15 yr SWAP Rate	2.73%	5.1850%	3%
Bostonia Partners LLC	2.28%	9.4 yr WAL Treasury	2.37%	4.6500%	Make whole

Dominion Federal presented the best and was selected as the lender for the project.

The Utility submitted its final proposal to the Government on [date]. The final proposed pricing for the project is detailed in the LCCA provided as Attachment 16. The final construction cost is \$9,000,000 with a loan term of 14.75 years at a finance rate of 4.61% for a total financed cost of the project in the amount of \$10,146,334. The primary purpose of a UESC is to save energy or water and the project must also fully pay for itself over the life of the project. Using the government-provided LCCA format, (Utility name) has presented a UESC package that meets the established criteria resulting in energy savings over the financed term of the loan in the amount of \$53,670.

The following table demonstrates the build-up of costs to the final financed amount.

Cost Category		Cost
Construction (installing subcontractor costs)		\$9,000,000
Professional Fees:		
Project Development (Design)	4.63%	\$416,700
ESCO CONSTRUCTION AND FEES TOTAL		\$9,416,700
Utility Mark-up (OH and profit)	3.0%	\$282,501
PROJECT TOTAL COST (without cost of financing)		\$9,699,201
Cost of project with financing over 15 year term of loan	4.61%	\$10,146,330
Projected savings (based on customer energy savings		\$10,200,000
reference ECP Summary page		
of LCCA)		

The Utility Company's ESCO has provided detailed energy calculations for each ECM of the project supporting their projection of savings. Agency utility subject matter experts have reviewed the project proposal, including the types of equipment proposed, the life expectancy of the equipment, the expected increase in the cost of utilities (bills) over the finance term of the project, and have concluded that the projected savings are achievable.

**SOURCE SELECTION SENSITIVE INFORMATION
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VII. RECOMMENDATION FOR AWARD

In accordance with the criteria for award of Utility Energy Service Contracts (UESC), the cost of the project must be less than the savings generated by the installation of the ECMs identified for the project. A graduated payment structure is planned so that each payment will be less than the savings projected for the payment period. The project, therefore, meets the criteria for award. The pricing has been determined to be fair and reasonable based on the data presented by the Utility Company based on both competition among subcontractors and detailed price breakout where competition was not available. It is recommended that we proceed to award the UESC.

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**SOURCE SELECTION SENSITIVE INFORMATION
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Standard Form 26 – Sample

Standard Form 26 Form

FAR Part 41 states that agencies are to attach the EMSA to a Standard Form 26. Many agencies use an equivalent form for awarding a contract.

AWARD/CONTRACT		1. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 700)		RATING	PAGE	OF	PAGES
2. CONTRACT (Procurement, Instruction, Identification) NUMBER		3. EFFECTIVE DATE		4. REQUISITION/PURCHASE REQUEST/PROJECT NUMBER			
5. ISSUED BY		CODE	6. ADMINISTERED BY (If other than Item 5)		CODE		
7. NAME AND ADDRESS OF CONTRACTOR (Number, Street, County, State and ZIP Code)				8. DELIVERY ☐ FOB ORIGIN ☐ OTHER (See below)			
				9. DISCOUNT FOR PROMPT PAYMENT			
				10. SUBMIT INVOICES (4 copies unless otherwise specified) TO THE ADDRESS SHOWN IN			
CODE		FACILITY CODE		ITEM			
11. SHIP TO/MARK FOR		CODE	12. PAYMENT WILL BE MADE BY		CODE		
13. AUTHORITY FOR USING OTHER THAN FULL AND OPEN COMPETITION: ☐ 10 U.S.C. 2304(c)() ☐ 41 U.S.C. 3304(a)()				14. ACCOUNTING AND APPROPRIATION DATA			
15A. ITEM NUMBER	15B. SUPPLIES/SERVICES		15C. QUANTITY	15D. UNIT	15E. UNIT PRICE	15F. AMOUNT	
15G. TOTAL AMOUNT OF CONTRACT ▶ \$							
16. TABLE OF CONTENTS							
(X)	SECTION	DESCRIPTION	PAGE(S)	(X)	SECTION	DESCRIPTION	PAGE(S)
	PART I - THE SCHEDULE				PART II - CONTRACT CLAUSES		
	A	SOLICITATION/CONTRACT FORM			I	CONTRACT CLAUSES	
	B	SUPPLIES OR SERVICES AND PRICES/COSTS			PART III - LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACHMENTS		
	C	DESCRIPTION/SPECS./WORK STATEMENT			J	LIST OF ATTACHMENTS	
	D	PACKAGING AND MARKING			PART IV - REPRESENTATIONS AND INSTRUCTIONS		
	E	INSPECTION AND ACCEPTANCE			K	REPRESENTATIONS, CERTIFICATIONS AND OTHER STATEMENTS OF OFFERORS	
	F	DELIVERIES OR PERFORMANCE			L	INSTRUCTIONS, CONDITIONS, AND NOTICES TO OFFERORS	
	G	CONTRACT ADMINISTRATION DATA			M	EVALUATION FACTORS FOR AWARD	
	H	SPECIAL CONTRACT REQUIREMENTS					
CONTRACTING OFFICER WILL COMPLETE ITEM 17 (SEALED-BID OR NEGOTIATED PROCUREMENT) OR 18 (SEALED-BID PROCUREMENT) AS APPLICABLE							
17. ☐ CONTRACTOR'S NEGOTIATED AGREEMENT (Contractor is required to sign this document and return _____ copies to issuing office.) Contractor agrees to furnish and deliver all items or perform all the services set forth or otherwise identified above and on any continuation sheets for the consideration stated herein. The rights and obligations of the parties to this contract shall be subject to and governed by the following documents: (a) this award/contract, (b) the solicitation, if any, and (c) such provisions, representations, certifications, and specifications, as are attached or incorporated by reference herein. (Attachments are listed herein.)				18. ☐ SEALED-BID AWARD (Contractor is not required to sign this document.) Your bid on Solicitation Number _____ including the additions or changes made by you which additions or changes are set forth in full above, is hereby accepted as to the terms listed above and on any continuation sheets. This award consummates the contract which consists of the following documents: (a) the Government's solicitation and your bid, and (b) this award/contract. No further contractual document is necessary. (Block 18 should be checked only when awarding a sealed-bid contract.)			
19A. NAME AND TITLE OF SIGNER (Type or Print)				20A. NAME OF CONTRACTING OFFICER			
19B. NAME OF CONTRACTOR		19C. DATE SIGNED		20B. UNITED STATES OF AMERICA		20C. DATE SIGNED	
BY _____ (Signature of person authorized to sign)				BY _____ (Signature of Contracting Officer)			

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STANDARD FORM 26 (REV. 3/2013)
Prescribed by GSA - FAR (48 CFR) 53.214(a)

TO for D&I – Sample

The TO is constructed by the CO to suit the scope of the project and the requirements of the site. It typically includes an abbreviated technical scope of work with reference to the IGA, requirements for working on site including security and safety, and other requirements germane to services and construction contracts.

Note regarding Congressional and public notifications of project award:

Except for DoD, NASA, and the Coast Guard, COs are required to notify Congress of contracts valued above \$13.5 million 30 days prior to award. For DoD, NASA, and the Coast Guard, a notification is only required for contracts valued above \$135.5 million. COs are also required to make project information publicly available on awards over \$4 million on the day of award (unless another dollar amount is specified in agency acquisition regulations). Please see FAR 17.108 “Congressional notification” and FAR 5.303(a) “Announcement of Contract Awards” for additional information.

TO for Design & Installation Sample

TO NO. _____
GSA AWC Public Utility Contract GS _____
Utility
Agency, Site

This TO is entered into by and between Utility and Agency/Site for implementation of certain ECMs as described herein at Site.

All terms and conditions of the subject GSA AWC Public Utility Contract apply to this TO, unless changed by the paragraphs below. In the event of a conflict between the requirements of the GSA AWC Public Contract and those of this TO, the requirements of the TO shall prevail.

1. PURPOSE

The intent of this project is to meet the objective of the Agency's energy goals and mission by increasing lighting efficiency, replacing outdated building controls, reducing chilled water costs, and installing a Solar Water Heating system. It is anticipated that energy will be optimized in each covered building to achieve a 30% reductions in greenhouse gas (GHG) and a 32% reduction in energy intensity and advanced metering.

2. SCOPE OF WORK

The Contractor shall arrange for all initial capital for third-party financing for this project. The Contractor shall provide all labor, material, equipment, and supervision to implement the ECMs described below. The project work includes interfacing and connecting to existing facilities and systems. Upon completion, inspection, and acceptance of Line Items 1, 2, 3, and 4, including testing, training, and delivery of all Operation & Maintenance manuals as required herein, Agency agrees to purchase the work described in this TO.

The Contractor shall provide Performance Assurance of any and all work associated with this TO for the first number months after acceptance of all Line Items.

All work for Line Items 1 and 2 described below shall be performed in accordance with Attachment TO-1 – "Agency/Site Guidance."

Line Item 1: Lighting Upgrades

Provide D&I services to complete lighting upgrades in the following buildings:

	<u>Building xx</u>	<u>Building/location name</u>
ECM-1		
ECM-2		
ECM-3		
ECM-4		

This work is more completely described in the following documents:

Attachment TO-2 Lighting SOW
Attachment TO-3 Lighting Equipment Specifications

Line Item 2: Controls Upgrades

Provide D&I services to complete controls upgrades in the following buildings:

	<u>Building xx</u>	<u>Building/location name</u>
ECM-1		
ECM-2		
ECM-3		
ECM-4		

This work is more completely described in the following documents:

Attachment TO-4 Controls SOW
Attachment TO-5 Controls Equipment Specifications

Line Item 3: Chiller Plant Upgrade

Provide D&I services to complete chiller plant upgrade (ECM#).

	<u>Building xx</u>	<u>Building/location name</u>
ECM-1		
ECM-2		
ECM-3		
ECM-4		

This work is more completely described in the following documents:

Attachment TO-6 Chiller Plant Specifications
Attachment TO-7 Chiller Plant Construction Drawings

Line Item 4: Install Solar Water Heating (SOLAR WATER HEATING) System

Provide D&I services to install a SOLAR WATER HEATING system (ECM#):

	<u>Building xx</u>	<u>Building/location name</u>

ECM-1		
ECM-2		
ECM-3		
ECM-4		

This work is more completely described in the following documents:

Attachment TO-8 Solar Water Heating System SOW
Attachment TO-9 Solar Water Heating Systems Specifications

Line Item 5: Performance Assurance

The Performance Assurance Plan will be implemented to verify that the installed equipment is operating to specified performance and efficiency, with the expected level of O&M necessary to assure achievement of the annual estimated savings throughout the contract period. This will be achieved through these activities:

- Performance Assurance for Line Item 1 – Lighting Upgrades, shall be based on the Calculation Methodology in Attachment 2. This work is more completely described in Attachment 10 – Performance Assurance under *Detailed Procedures – Lighting Upgrade*
- Performance Assurance for Line Item 2 – Controls Upgrades, shall be based on the Calculation Methodology in Attachment 4. This work is more completely described in Attachment 10 – Performance Assurance under *Detailed Procedures – Energy Management System and Attachment 11- ECM Calculations*.
- Performance Assurance for Line Item 3 – Chiller Plant Upgrade, shall be performed in accordance with Attachment 10 Methodology in Attachment 6. This work is more completely described in Attachment 10 – Performance Assurance under *Detailed Procedures – Chiller Plant Upgrade*
- Performance Assurance for Line Item 4 – Solar Water Heating System Installation, shall be performed in accordance with Attachment 10 Methodology in Attachment 8. This work is more completely described in Attachment 10 – Performance Assurance under *Detailed Procedures – Solar Water Heating System*

It is anticipated that energy will be optimized in each covered building to achieve 30% reduction in GHG and a 32% reduction in energy intensity and advanced metering. However, the Contractor does not guarantee that the ECMs installed pursuant to this TO will result in energy savings to the Government, and the Government expressly recognizes and agrees unrealized energy savings are not a basis for failing to make payment as required by 6.D.

3. SUBMITTALS

Required submittals are described in Attachment TO-xx.

4. TERM

This TO shall be effective from the date the Award document is signed by both Parties. In the event the Parties sign this TO on different dates, the effective date shall be the latter of the two dates.

This TO shall have a term of ten (10) years consisting of an anticipated eighteen (18) month design and construction period and a nine (9) year payment period. The term of the construction period may not exceed ten (10) years.

A. Notice to Proceed

The Contractor shall not commence work on the Site until Agency issues a Notice to Proceed. Such notice shall be issued on receipt of all required bonds and insurance documents and on approval of the Contractor's Worker Safety & Health Program under 10 CFR 851 and the Contractor's Health & Safety Plan.

[Note: Agency may want to specify in the TO the number of days allowed for submittal of Performance and Payment bonds and the Certificate of Insurance—typically between 10 to 15 days after the date of award. The number of days allowed for submittal of the Safety documents could be specified as well.]

The Notice to Proceed will be issued with an Agency/Site Safety Management Form which must be completed by every Subcontractor to be used in performance of this TO and submitted to Agency in accordance with Attachment TO-14, Agency Reporting & Submittal Requirements.

As soon as is practical, but within 15 days after the Contractor receives the Agency "Notice to Proceed," the Contractor will commence work. Prior to receipt of the Notice to Proceed the Contractor may prepare and submit required submissions and may order materials and equipment that do not require prior Agency approval.

B. Performance Schedule

The detailed performance schedule is contained in Attachment 15.

5. ACCEPTANCE

The Contractor shall request an inspection by Agency as the Contractor completes Line Items 1, 2 and 3. Agency shall inspect the work within fourteen (14) calendar days of the request, and complete a "Certificate of Substantial Completion" for each Line Item. "Substantial completion" means that the facilities are usable and the greater majority of the work is installed and acceptable.

Any discrepancies or "punch list" items shall be described in writing. If Agency indicates acceptance, takes possession of the equipment, or uses the equipment for beneficial use, this shall be construed as acceptance of the work that is completed, with the items on the punch list representing work that is not accepted. The Contractor shall complete or correct all items on the punch list within 30 calendar days and shall present Agency with documentation indicating completion. Agency shall then indicate final acceptance in writing within 14 calendar days after completion of the punch list items. If Agency fails to accept or reject the completed punch list items within 14 calendar days after written notice from the Contractor indicating completion, then Agency shall be deemed to have accepted the work. Following Agency's acceptance of the work, the Contractor shall not be liable to Agency for any liability, loss or damage caused or alleged to be caused directly or indirectly by the equipment or by any inadequacy thereof or deficiency or defect therein, except as provided in FAR 52.246-21, Warranty (see Attachment A-1, FAR Clauses)

6. PRICE, BILLING, FINANCING, AND PAYMENT

A. Price

The total firm fixed price for execution of the project defined above is \$xx,xxx,xxx.

B. Financing

Agency shall spend no capital investment dollars. The Contractor shall finance the entire project price. The Contractor shall make all arrangements necessary to deliver the project as described above and shall arrange for financing during the design and construction period. The total financed amount including construction financing and financing fees shall be \$xx,xxx,xxx. Repayment shall commence with the initial invoice submitted in month 2013 and payment due in month 2013 as described in Paragraph D below.

C. Financial Incentives, Rebates, and Design Assistance

[Note: Agency may want to consider discussing incentives and rebates with the Utility and negotiate taking any available rebates as a reduction in TO price, or having the amount of the rebates identified and applied as a reduction to the installation's utility bill.]

The Contractor will provide to the Government the same financial incentives, rebates, design review, goods, services, and/or any other assistance provided without charge, that is generally available to customers of a similar rate class or size.

If rebates are available and have been applied for by the Government and such funds have been set aside, then the Contractor shall provide a separate letter clarifying timelines and responsibilities of both parties and guaranteeing rebates and other incentives from the Contractor to the Government.

The Contractor through its Subcontractor(s) shall also be responsible for determining the source, value, and availability of any applicable financial incentives to the project offered by the state and others in which the Site is located, and if the value of the incentives exceeds the administrative costs to be incurred by the Contractor or Agency in acquiring such incentives.

The Contractor through its Subcontractor(s) shall be responsible for coordinating with the CO as to the preparation of any and all documentations required to apply for any such applicable financial incentives.

Financial rebates/incentives shall be disbursed directly to Agency/site for proper processing in accordance with current Government policy.

D. Payment

Following final acceptance of Line Items 1, 2, and 3 by Agency, payments shall be made annually in accordance with the Payment and Termination Schedule (Attachment 16). The Contractor or its designee will submit an invoice for the first payment which shall be due and payable within 30 days from final acceptance of Line Items 1, 2, and 3. The Contractor shall submit invoices annually thereafter. Each successive annual payment will be due on the anniversary of the due date of the first payment.

It shall be the Contractor's responsibility to arrange for an adjustment to the due date for the first payment in the event of Contractor-caused delays in final acceptance of Line Items 1, 2, and 3. There shall be no additional cost to the Government or deviation from the dollar amount or number of payments in the TO. Delays by Agency that prevent final acceptance and payment by the billing date shall result in adjustment of the financing cost of the project. Following Agency's acceptance, Agency's obligation to pay all of the payments due hereunder is absolute and unconditional, and Agency shall not be entitled to any abatement, reduction, set-off, counterclaim, defense, interruption, deferment, recoupment, or deduction with respect to any payments due hereunder, including without limitation any reduction for unrealized energy savings.

The Contractor enters into this TO as the franchised natural gas supplier to Agency. Should Agency terminate the natural gas service agreement with the Contractor prior to the date of completing repayment for this project, Agency shall either continue to make the annual payment in accordance with

the Payment and Termination Liability Schedule or shall pay the Termination Amount identified in such Payment and Termination Liability Schedule.

Upon final payment, the Contractor shall execute a release of all claims against Agency under this TO.

E. Buydown

Agency retains the right, at any time following final acceptance of Line Items 1, 2, and 3, but prior to final payment, to buy down the outstanding TO payments without penalty by giving the Contractor thirty (30) days prior written notice. Upon such buydown, Agency shall pay to the Contractor the pro rata termination amount specified in the Payment and Termination Liability Schedule (Attachment 16). Payments will continue at the same level but the term of ECM financing will be shortened to reflect the amount of the buydown payments. Any such additional sums shall be used to reduce the outstanding Termination Amount, maintaining the payments and shortening the payback period. Each time an additional payment is made the Payment and Termination Liability Schedule shall be recalculated to show the new payback period. Agency acknowledges and agrees that the payments of such amounts are reasonable and allowable costs with respect to the TO.

F. Pre-Acceptance Buyout

In the event that Agency desires to terminate this TO for any reason (including, without limitation, for convenience) prior to final acceptance of Line Items 1, 2 and 3, Agency may do so by giving written notice to the Contractor thirty (30) days prior to the effective date of such termination. Agency shall pay to the Contractor an amount negotiated between Agency and the Contractor that is equal to the value of work verified as completed at the time of termination, plus allowable costs related to such work. If a termination occurs for the convenience of the Government, the amount payable pursuant to this paragraph shall be deemed as an allowable cost under FAR Part 17 and Part 52, Subpart 52.249-2.

[Note: The agency should be aware that the terms in E and F above have in some cases caused the lender to increase the interest rate or the termination liability amount to cover the risk of such buydowns and buyouts.]

G. Post-Acceptance Buyout

In the event that Agency desires to terminate this TO for any reason (including, without limitation, for convenience) after final acceptance of Line Items 1, 2 and 3, Agency may do so by giving written notice to the Contractor thirty (30) days prior to the effective date of such termination. Agency shall pay to the Contractor a termination amount in accordance with the Payment and Termination Liability Schedule (Attachment 16).

7. ASSIGNMENT OF CLAIMS

The Contractor may assign payments due from Agency under this TO pursuant to FAR 52.232-23, *Assignment of Claims*. Agency agrees to complete any necessary forms which acknowledge that assignment. Any bank, trust company or other financing institution that participates in financing an ECM shall not be considered a Subcontractor of the Utility. Any assignment of claims must comply with the provisions of FAR Part 32, Subpart 32.8.

8. WAGE RATES AND LABOR STANDARDS

The attached wage determination from the U.S. Secretary of Labor shall be implemented in accordance with the statutes for labor standards requirements for contracts over \$2,000.00 involving construction. (Attachment B – U.S. Department of Labor General Decision)

The following labor standards provisions apply to work performed under this TO as if they were set forth herein in their entirety. For more information on clauses incorporated by reference see Attachment A-1 – Terms and Conditions.

<u>FAR Ref</u>	<u>Title</u>	<u>Date</u>
52.222-6	Davis-Bacon Act	Jul 2005
52.222-7	Withholding of Funds	Feb 1988
52.222-8	Payrolls and Basic Records	Jun 2010
52.222-9	Apprentices and Trainees	Jul 2005
52.222-10	Compliance with Copeland Act Requirements	Feb 1988
52.222-11	Subcontracts (Labor Standards)	Jul 2005
52.222-12	Contract Termination – Debarment	Feb 1988
52.222-13	Compliance with Davis-Bacon and Related Act Regulations	Feb 1988
52.222-14	Disputes Concerning Labor Standards	Feb 1988
52.222-15	Certification of Eligibility	Feb 1988
52.222-23	Notice of Requirement for Affirmative Action to Ensure Equal Employment Opportunity for Construction*	Feb 1999
52.222-27	Affirmative Action Compliance Requirements for Construction	Feb 1999

*For purposes of the Notice, the “covered area” is County, State. The goals for minority and female participation, expressed in percentage terms for the Contractor’s aggregate workforce in each trade on all construction work in the covered area are as follows:

Goals for Minority Participation for Each Trade 5.8%

Goals for Female Participation for Each Trade 6.9%

These goals are applicable to all of the Contractor’s construction work performed in the covered area. If the Contractor performs construction work in a geographical area located outside of the covered area, the Contractor shall apply the goals established for the geographical area where the work is actually performed. Goals are published periodically in the Federal Register in notice form, and these notices may be obtained from any Office of Federal Contract Compliance Programs office.

9. SAFETY REQUIREMENTS

All work under this TO shall be conducted in a safe manner and shall comply with the requirements of Agency requirements. Furthermore, in performing work under this TO, the Contractor shall perform work in a manner that ensures adequate protection for employees, the public, and the environment, and shall be accountable for the safe performance of the work. The Contractor shall exercise a degree of care commensurate with the work and the associated hazards. The Contractor shall ensure that management of environment, safety and health (“ES&H”) functions and activities becomes an integral but visible part of its planning and execution processes while performing work at the site.

With respect to performance of any portion of the work under this TO that is performed on the Site, the Contractor agrees to comply with all state and federal ES&H regulations. Agency requirements include, but are not limited to, compliance with all OSHA standards, as well as with any other ES&H reporting requirements the CO may from time to time require.

Other specific requirements relative to safety are as follows:

- A. Prior to commencing work, the Contractor shall meet with the Contracting Officer’s Representative (COR) to agree on administration of the safety program.
- B. The Contractor’s workplace may be inspected periodically for OSHA violations. Abatement of violations is the Contractor’s responsibility. The Contractor shall provide assistance to Agency and Federal/State OSHA inspectors if a complaint is filed. Any fines levied on the Contractor due to safety/health violations shall be paid promptly by the Contractor.

- C. In accordance with FAR 52.236-13, *Accident Prevention*, as set forth in Paragraph 12 herein, *Additional Provisions*, the Contractor is required to report to the CO all accidents within 24 hours of occurrence.
- D. In accordance with FAR 52.236-13, *Accident Prevention*, as set forth in Paragraph 12 herein, *Additional Provisions*, the Contractor shall submit to the COR a full report of damage to Government property and equipment by Contractor employees or subcontractors, at any tier within 24 hours of occurrence.

10. BONDS

[Note: Bonds are typically required within 15 days after award of the TO, since the contract price will have been negotiated.]

A. Within thirty (30) days of TO award or acceptance of the Design and Construction Package, whichever is later, the Contractor shall furnish a certified copy and duplicate of a performance bond (SF 25), with project financier as co-beneficiary along with Agency. The performance bond shall be in a penal sum equal to 100 percent of the total firm fixed price for all ECMs. The Contractor shall furnish a payment bond (SF25A) in duplicate. The payment bond shall be in a penal sum equal to 100 percent of the total firm fixed for all ECMs.

B. The performance and payment bonds shall remain in effect during the total implementation period for all ECMs. The ECM implementation period shall include all time required for installation, testing, measuring initial performance, and Agency acceptance of all contractor-installed ECMs. The payment bond shall be released upon receipt of satisfactory evidence that all subcontractors, laborers, etc., have been paid in full.

C. The Contractor shall not file any mechanics liens against Agency for the TO projects and this requirement shall flow down to all subcontractors. Therefore, the payment bond shall secure the Contractor's obligations for payment of laborers, suppliers, and all subcontractors.

11. INSURANCE

In accordance with FAR 52.228-5, *Insurance – Work on a Government Installation*, which is incorporated herein by reference, the Contractor shall, at no cost to the Government, maintain policies providing the following insurance protection, which insurance shall apply to all operations of the Contractor hereunder and employees of the Contractor engaged therein.

- A. Worker's Compensation – Coverage as provided in the Worker's Compensation Law of the State having jurisdiction, including occupational disease coverage for limits of \$1,000,000 per person in any one case and additional Employees Liability of \$1,000,000 per occurrence.
- B. General Liability – Insurance with limits of \$1,000,000/\$2,000,000 for bodily injury liability and \$100,000 for property damage liability in the comprehensive liability form.
- C. Automobile Liability – Insurance with limits of \$250,000/500,000 for bodily injury liability and \$50,000 for property damage liability in the comprehensive policy form.

The Contractor shall also provide an endorsement to its liability policies naming the U.S. Government and Agency/Site as additional insureds.

The Contractor shall furnish the CO a certificate of insurance to show compliance with this paragraph. The insurance certificate shall be submitted within fourteen (14) days after award and prior to issuance of a Notice to Proceed. The Contractor shall also ensure that such certificate states that the insurance

carrier(s) will give Agency 30 days prior written notice if there is any cancellation or material change in such policies. The Contractor shall also ensure that such certificates are kept up to date during the period of contract performance.

The Contractor agrees to insert the substance of this clause in all subcontracts hereunder at any tier where work will be performed on the Site.

The Contractor may purchase such additional or other insurance protection, as it may deem necessary, at its own expense.

Nothing herein shall relieve the Contractor of or limit the Contractor's liability for losses and damages to person or property as a result of its operations. The Contractor shall indemnify, and hold Agency, and any person acting on behalf of Agency, harmless from any and all liability, including attorneys' fees and legal costs, associated with or resulting from the Contractor's operations under this TO.

12. CONTRACT ADMINISTRATION

The CO is:

Name:	<u>Name</u>
Email:	<u>email</u>
Telephone:	<u>phone</u>
Facsimile:	<u>fax</u>

The CO is the primary point of contact for all matters regarding this TO except technical/project matters.

The COR is:

Name:	<u>Name</u>
Email:	<u>email</u>
Telephone:	<u>phone</u>
Facsimile:	<u>fax</u>

The COR is the focal point for all technical/project matters related to this TO.

13. JOB COORDINATION

The Agency Contracting Office is the sole entity that can modify the TO or initiate change orders. All direction to the Contractor must come from the Agency CO, the Agency COR or, for items involving construction only, FIO, except direction involving safety.

All correspondence including but not limited to notifications, changes and direction referred to in this TO or other documents between the Contractor, and Agency shall be in writing. All correspondence from the Contractor is to be addressed to the Agency CO; with copies to the Agency COR.

The Agency COR is responsible for documenting and reporting the daily monitoring and inspection of all work activities at the site. These responsibilities include but are not necessarily limited to:

- a. The assurance that all installed materials and systems meet the level of quality as defined in the TO, and
- b. Ensuring that all work is completed in accordance with the Contractor's environmental, safety and health (ES&H) program and the ES&H provisions of this TO.

FIO is the first line of contact with the Contractor's field organization on matters involving safety and interface with Site operations. The Agency CO is responsible for all contracting matters. The Agency COTR is the first line of contact between Agency and the Contractor for all technical matters. The Contractor is to take direction from no other sources within the Agency, Site.

14. REPRESENTATIONS, CERTIFICATIONS, AND OTHER STATEMENTS OF OFFERORS

The Representations, Certifications, and Other Statements of Offerors completed by the Contractor and certified in the Online Representation and Certifications Application (ORCA) System, are hereby incorporated by reference.

15. SMALL BUSINESS SUBCONTRACTING PLAN

The Small Business Subcontracting Plan submitted and filed by Contractor and incorporated in the AWC, including any annual plans, are hereby incorporated by reference.

16. TITLE TO, AND RESPONSIBILITY FOR, CONTRACTOR-INSTALLED EQUIPMENT

Title to all equipment installed by the Contractor shall be vested in the Government after acceptance by the Government, and shall not relieve the Contractor's responsibility for ECM performance.

17. CONTRACTOR'S RESPONSIBILITIES

The Contractor is responsible for all damages to persons or property that occurs as a result of the Contractor's fault or negligence. The Contractor shall also be responsible for all materials delivered and work performed until completion and acceptance of the entire work, except for any completed unit of work, which may have been accepted under this TO. The Contractor's responsibility shall apply to activities of the Contractor, its agents, lower-tier subcontractors, and employees.

18. GENERAL PROVISIONS

The following general provisions are incorporated in and made a part of this TO:

<u>Attachment</u>	<u>Title</u>
A-1	Terms and Conditions – FAR Clauses
A-2	Terms and Conditions – <u>Agency</u> Clauses
A-3	Terms and Conditions – Site-Specific Clauses
B	Wage Determination (ref)

19. LIST OF REFERENCED ATTACHMENTS

The following attachments referenced herein are incorporated in and made a part of this TO:

Attachment No.	Description
TO-1	<u>Agency/site guidance</u>
TO-2	Lighting SOW
TO-3	Lighting Specifications
TO-4	Controls SOW
TO-5	Controls Specifications
TO-6	Specifications for Chiller Plant Upgrade – <u>Identification of Specifications & Bid Package</u>
TO-7	Chiller Construction Drawings
TO-8	Solar Water Heating System SOW
TO-9	Solar Water Heating System Specifications
TO-10	Performance Assurance Plan
TO-11	ECM Calculations
TO-12	Lighting Calculation Spreadsheets
TO-13	Controls Calculation Spreadsheets
TO-14	Chiller Calculation Spreadsheet
TO-15	Solar Water Heating System Calculation Spreadsheet

TO-16	M&V
TO-17	<u>Agency</u> Reporting & Submittal Requirements
TO-18	Performance Schedule (TBD)
TO-19	Payment & Termination Liability Schedule

**TO -xx
Schedule 1**

**Payment, Amortization and Termination Schedule
Sample UESC Project**

Interest Rate: 2.850%

Payment #	Date	Payment	Interest	Principal	Balance	Termination Amount
1	1/1/2013				\$1,907,310.00	\$1,983,602.40
	2/1/2013	\$216,587.34	\$ 4,529.86	\$212,057.48	1,695,252.52	1,763,062.62
	3/1/2013	-	4,026.22	4,026.22-	1,699,278.74	1,767,249.89
	4/1/2013	-	4,035.79	4,035.79-	1,703,314.53	1,771,447.11
	5/1/2013	-	4,045.37	4,045.37-	1,707,359.90	1,775,654.30
	6/1/2013	-	4,054.98	4,054.98-	1,711,414.88	1,779,871.48
	7/1/2013	-	4,064.61	4,064.61-	1,715,479.49	1,784,098.67
	8/1/2013	-	4,074.26	4,074.26-	1,719,553.75	1,788,335.90
	9/1/2013	-	4,083.94	4,083.94-	1,723,637.69	1,792,583.20
	10/1/2013	-	4,093.64	4,093.64-	1,727,731.33	1,796,840.58
	11/1/2013	-	4,103.36	4,103.36-	1,731,834.69	1,801,108.08
	12/1/2013	-	4,113.11	4,113.11-	1,735,947.80	1,805,385.71
2	1/1/2014	-	4,122.88	4,122.88-	1,740,070.68	1,809,673.51
	2/1/2014	216,587.34	4,132.67	212,454.67	1,527,616.01	1,588,720.65
	3/1/2014	-	3,628.09	3,628.09-	1,531,244.10	1,592,493.86
	4/1/2014	-	3,636.70	3,636.70-	1,534,880.80	1,596,276.03
	5/1/2014	-	3,645.34	3,645.34-	1,538,526.14	1,600,067.19
	6/1/2014	-	3,654.00	3,654.00-	1,542,180.14	1,603,867.35
	7/1/2014	-	3,662.68	3,662.68-	1,545,842.82	1,607,676.53
	8/1/2014	-	3,671.38	3,671.38-	1,549,514.20	1,611,494.77
	9/1/2014	-	3,680.10	3,680.10-	1,553,194.30	1,615,322.07
	10/1/2014	-	3,688.84	3,688.84-	1,556,883.14	1,619,158.47
	11/1/2014	-	3,697.60	3,697.60-	1,560,580.74	1,623,003.97
	12/1/2014	-	3,706.38	3,706.38-	1,564,287.12	1,626,858.60
3	1/1/2015	-	3,715.18	3,715.18-	1,568,002.30	1,630,722.39
	2/1/2015	216,587.34	3,724.01	212,863.33	1,355,138.97	1,409,344.53
	3/1/2015	-	3,218.46	3,218.46-	1,358,357.43	1,412,691.73
	4/1/2015	-	3,226.10	3,226.10-	1,361,583.53	1,416,046.87
	5/1/2015	-	3,233.76	3,233.76-	1,364,817.29	1,419,409.98
	6/1/2015	-	3,241.44	3,241.44-	1,368,058.73	1,422,781.08
	7/1/2015	-	3,249.14	3,249.14-	1,371,307.87	1,426,160.18
	8/1/2015	-	3,256.86	3,256.86-	1,374,564.73	1,429,547.32
	9/1/2015	-	3,264.59	3,264.59-	1,377,829.32	1,432,942.49
	10/1/2015	-	3,272.34	3,272.34-	1,381,101.66	1,436,345.73
	11/1/2015	-	3,280.12	3,280.12-	1,384,381.78	1,439,757.05
	12/1/2015	-	3,287.91	3,287.91-	1,387,669.69	1,443,176.48
4	1/1/2016	-	3,295.72	3,295.72-	1,390,965.41	1,446,604.03
	2/1/2016	216,587.34	3,303.54	213,283.80	1,177,681.61	1,224,788.87
	3/1/2016	-	2,796.99	2,796.99-	1,180,478.60	1,227,697.74
	4/1/2016	-	2,803.64	2,803.64-	1,183,282.24	1,230,613.53
	5/1/2016	-	2,810.30	2,810.30-	1,186,092.54	1,233,536.24

	6/1/2016	-	2,816.97	2,816.97-	1,188,909.51	1,236,465.89
	7/1/2016	-	2,823.66	2,823.66-	1,191,733.17	1,239,402.50
	8/1/2016	-	2,830.37	2,830.37-	1,194,563.54	1,242,346.08
	9/1/2016	-	2,837.09	2,837.09-	1,197,400.63	1,245,296.66
	10/1/2016	-	2,843.83	2,843.83-	1,200,244.46	1,248,254.24
	11/1/2016	-	2,850.58	2,850.58-	1,203,095.04	1,251,218.84
	12/1/2016	-	2,857.35	2,857.35-	1,205,952.39	1,254,190.49
	1/1/2017	-	2,864.14	2,864.14-	1,208,816.53	1,257,169.19
5	2/1/2017	216,587.34	2,870.94	213,716.40	995,100.13	1,034,904.14
	3/1/2017	-	2,363.36	2,363.36-	997,463.49	1,037,362.03
	4/1/2017	-	2,368.98	2,368.98-	999,832.47	1,039,825.77
	5/1/2017	-	2,374.60	2,374.60-	1,002,207.07	1,042,295.35
	6/1/2017	-	2,380.24	2,380.24-	1,004,587.31	1,044,770.80
	7/1/2017	-	2,385.89	2,385.89-	1,006,973.20	1,047,252.13
	8/1/2017	-	2,391.56	2,391.56-	1,009,364.76	1,049,739.35
	9/1/2017	-	2,397.24	2,397.24-	1,011,762.00	1,052,232.48
	10/1/2017	-	2,402.93	2,402.93-	1,014,164.93	1,054,731.53
	11/1/2017	-	2,408.64	2,408.64-	1,016,573.57	1,057,236.51
	12/1/2017	-	2,414.36	2,414.36-	1,018,987.93	1,059,747.45
	1/1/2018	-	2,420.10	2,420.10-	1,021,408.03	1,062,264.35
6	2/1/2018	216,587.34	2,425.84	214,161.50	807,246.53	839,536.39
	3/1/2018	-	1,917.21	1,917.21-	809,163.74	841,530.29
	4/1/2018	-	1,921.76	1,921.76-	811,085.50	843,528.92
	5/1/2018	-	1,926.33	1,926.33-	813,011.83	845,532.30
	6/1/2018	-	1,930.90	1,930.90-	814,942.73	847,540.44
	7/1/2018	-	1,935.49	1,935.49-	816,878.22	849,553.35
	8/1/2018	-	1,940.09	1,940.09-	818,818.31	851,571.04
	9/1/2018	-	1,944.69	1,944.69-	820,763.00	853,593.52
	10/1/2018	-	1,949.31	1,949.31-	822,712.31	855,620.80
	11/1/2018	-	1,953.94	1,953.94-	824,666.25	857,652.90
	12/1/2018	-	1,958.58	1,958.58-	826,624.83	859,689.82
	1/1/2019	-	1,963.23	1,963.23-	828,588.06	861,731.58
7	2/1/2019	216,587.34	1,967.90	214,619.44	613,968.62	638,527.36
	3/1/2019	-	1,458.18	1,458.18-	615,426.80	640,043.87
	4/1/2019	-	1,461.64	1,461.64-	616,888.44	641,563.98
	5/1/2019	-	1,465.11	1,465.11-	618,353.55	643,087.69
	6/1/2019	-	1,468.59	1,468.59-	619,822.14	644,615.03
	7/1/2019	-	1,472.08	1,472.08-	621,294.22	646,145.99
	8/1/2019	-	1,475.57	1,475.57-	622,769.79	647,680.58
	9/1/2019	-	1,479.08	1,479.08-	624,248.87	649,218.82
	10/1/2019	-	1,482.59	1,482.59-	625,731.46	650,760.72
	11/1/2019	-	1,486.11	1,486.11-	627,217.57	652,306.27
	12/1/2019	-	1,489.64	1,489.64-	628,707.21	653,855.50
	1/1/2020	-	1,493.18	1,493.18-	630,200.39	655,408.41
8	2/1/2020	216,587.34	1,496.73	215,090.61	415,109.78	431,714.17
	3/1/2020	-	985.89	985.89-	416,095.67	432,739.50
	4/1/2020	-	988.23	988.23-	417,083.90	433,767.26
	5/1/2020	-	990.57	990.57-	418,074.47	434,797.45
	6/1/2020	-	992.93	992.93-	419,067.40	435,830.10
	7/1/2020	-	995.29	995.29-	420,062.69	436,865.20
	8/1/2020	-	997.65	997.65-	421,060.34	437,902.75
	9/1/2020	-	1,000.02	1,000.02-	422,060.36	438,942.77
	10/1/2020	-	1,002.39	1,002.39-	423,062.75	439,985.26
	11/1/2020	-	1,004.77	1,004.77-	424,067.52	441,030.22
	12/1/2020	-	1,007.16	1,007.16-	425,074.68	442,077.67
	1/1/2021	-	1,009.55	1,009.55-	426,084.23	443,127.60
9	2/1/2021	216,587.34	1,011.95	215,575.39	210,508.84	218,929.19
	3/1/2021	-	499.96	499.96-	211,008.80	219,449.15

	4/1/2021	-	501.15	501.15-	211,509.95	219,970.35
	5/1/2021	-	502.34	502.34-	212,012.29	220,492.78
	6/1/2021	-	503.53	503.53-	212,515.82	221,016.45
	7/1/2021	-	504.73	504.73-	213,020.55	221,541.37
	8/1/2021	-	505.92	505.92-	213,526.47	222,067.53
	9/1/2021	-	507.13	507.13-	214,033.60	222,594.94
	10/1/2021	-	508.33	508.33-	214,541.93	223,123.61
	11/1/2021	-	509.54	509.54-	215,051.47	223,653.53
	12/1/2021	-	510.75	510.75-	215,562.22	224,184.71
	1/1/2022	-	511.96	511.96-	216,074.18	224,717.15
10	2/1/2022	216,587.34	513.16	216,074.18	-	-

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UESC Project Reporting – Template

FEMP has collected UESC data from federal agencies since 1995, covering over \$2.3 billion in investment and almost 2,000 projects. FEMP's Utility Program serves as the federal government's primary source of information on the UESC project funding mechanism. Both the OMB Memorandum M-12-21, Addendum to M-98-13, and the Presidential Memorandum-Implementation Of Energy Savings Projects And Performance-Based Contracting For Energy Savings, issued on December 2, 2011, provide guidance for agency reporting.

This data is reported occasionally to the DOE, on an aggregate level only, to demonstrate the growth of the UESC contracting vehicle and contribute to better understanding of the UESC market and trends in investment. UESC project data can be submitted by contacting Susan Courtney (scourtney@alleghenyst.com).

The following shows the data that FEMP collects, with a key defining terms following the tables.

UESC Project Reporting Template

A. Agency	B. Facility	C. State	D. Utility	E. Contract Type	F. Contract Term	G. TO /DO	H. Award Date	I. Completion Date	J. ECMs Implemented In Project (Enter as many as applicable - See Key)	K. Project's Capital Cost (\$) [Not including financing costs]

L. Percent of Total Cost 3rd Party Financed	M. Rebate Amount (\$)	N. Annual Cost Savings (\$)	O. Annual kWh Saved	P. Annual KW Saved (Demand Savings)	Q. Annual Natural Gas savings (please specify cubic feet, therms or MMBtu)	R. Annual Oil savings (gallons)	S. Annual water savings (gallons)	T. Total Annual Energy savings

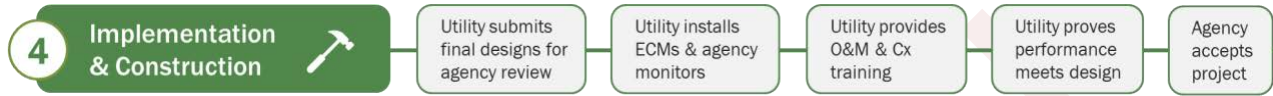
KEY

Column Heading	Data to Input
Agency	Enter the main agency and sub agency if applicable (e.g. DOI, National Park Service)
Facility	Input the installation name or site name where project completed (e.g. Kirtland Air Force Base)
Utility	Enter utility company
Contract Type	Enter contract type (Agency Specific Contract, BOA, BPA, DSM, GSA AWC, Model Agreement, Site Specific Agreement)
Contract Term	Input the length of the contract in years, if applicable
TO/DO	Include a DO/TO number if appropriate
Award Date	Enter the date contract was signed
Completion Date	Enter the date the project was completed or plans to be completed
ECMs	Input description of technologies installed - please list each type of technology installed from the categories below: Analysis Boiler/Chiller Central Plant Comprehensive Upgrades Controls/Upgrades/Repairs Distributed Generation Renewables HVAC/Motors/Pumps Insulation/Building Envelope Lighting Lighting and Mechanical Systems Water Conservation Other
Project's Capital Cost (\$)	Input the total capital cost of the project (full dollar amount). This is the implementation price (for survey, study, design, construction, commissioning to acceptance, and markup—which includes indirect costs, such as rebates, OH and profit) the contractor charges to develop and implement the project. Do not include costs related to M&V during performance period, financing costs, O&M, or administrative costs to the government.
Percent of Total Cost 3rd Party Financed	Input the total percentage of cost that was financed through the utility or an outside lender - anything under 100% will show the site used appropriated money to buy down the project. This will show the principal loan amount that is borrowed to implement the project. This value is the total investment amount minus any rebate or incentives received by the utility and/or any appropriated funding used to "buy-down" the cost of the principal loan (government pre-performance period payments plus any capitalized interest costs). Do not include interest rates.
Rebate Amount (\$)	Input any rebate or incentives received from the utility if applicable (full dollar amount).
Estimated Annual Cost Savings (\$)	Input the annual cost savings of the project which include energy, demand, water, and O&M (include all commodities such as natural gas, electricity, oil). (full dollar amount)
Estimated kWh Savings	Enter estimated annual site electric KWh savings if this breakout if available

Estimated KW Savings	Provide demand savings if applicable
Estimated Annual Natural Gas savings (cubic feet)	Enter the estimated total annual natural gas savings in cubic feet
Estimated Annual Oil savings (gallons)	Enter the estimated total annual oil savings in gallons
Estimated Annual water savings (gallons)	Enter the estimated total annual water savings in gallons
Total Annual Energy Savings	Enter total annual energy savings for all energy types

PHASE 4: Project Implementation and Construction

ECM Performance Verification Checklist – Sample	107
Letter of Final Acceptance – Template.....	109



ECM Performance Verification Checklist – Sample

The ECM performance verification checklist is intended to support the agency's CO and COTR during installation, performance testing, and acceptance. Ideally, checklist items will be included in the contract SOW and fully developed in the performance assurance plan to ensure that installation and performance meet design intent.

The completed checklist would be used in ECM and project acceptance efforts and then become part of the contract documents file.

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ECM Performance Checklist Sample

In concert with the utility-developed performance assurance plan, this checklist will serve to ensure that installation and performance meet design intent. The steps are categorical and activities within each category will be project- and ECM-dependent.

For each ECM:

- 1) Document intention for the measure (design intent or basis of design)
- 2) Confirm correct number, type, and location of measures (if multiple lights, motors, etc., are installed)
- 3) Confirm correct interconnection with building systems and controls
- 4) Confirm operational sequence (startup, shutdown) or multiple modes of operation
- 5) Document tests to confirm improvement in efficiency (the performance assurance plan should provide sufficient detail describing performance measurement procedures and metrics)
- 6) Confirm complete training of staff
- 7) Confirm on-site user's manual

Letter of Final Acceptance – Template

Letter of Final Acceptance Template

THIS CERTIFICATE OF FINAL ACCEPTANCE is executed this ____ day of _____, 20xx by and between (Utility) and (Agency, City, State) as to the work performed pursuant to TO No. xxx (“the Contract”) dated xx xxx 20xx, which was issued under GSA AWC Number xxxxxxxx for ECMs Project (“Project”) upon the terms and conditions set forth herein.

1. DATE OF FINAL ACCEPTANCE:

The entirety of work performed under the above referenced contract between (Utility and Agency) has been reviewed by each of the undersigned and found to be complete and ready for beneficial use and operation by the Government. The Date of Final Acceptance is also the date of commencement of contract payments as set forth in the Amortization Schedule (Attachment xx of the TO).

2. COMMENCEMENT OF PAYMENT:

(Agency), having accepted the Project, agrees to settle outstanding obligations within 30 days of receipt of invoice by remitting payment to (Utility) or its assignee under the terms of the Contract for the Project, for the balance of any amount financed, if applicable.

3. ACCEPTANCE OF WORK:

(Agency) hereby accepts all work as complete. (Agency) does hereby assume full possession thereof.

United States (Agency)

BY: _____ **DATE:** _____, 20xx

NAME: _____

TITLE: _____

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PHASE 5: Post-Acceptance Performance

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Invoice Approval and Payment Process – Template

Invoices can be accepted and processed after the CO has formally accepted the completed project, and a certificate of completion is signed. Typically, invoices will be processed 30 days after the certificate of completion is signed. It is recommended that a sample invoice and copy of the contract and payment schedule be provided to the offices that verify and pay invoices.

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Invoice Approval and Payment Process Template

Invoice Approval – Payment Process
Name of Contracting Office / Budget Office
and
Name of Site

Subj: UESC Project Invoice Approval and Payment Process
Encl: (1) Project TO, reference contracting project file location
(2) Sample invoice from utility or from financier if “assignment of claims”
(3) “Assignment of claims” if used

1. Reference presidential memorandum and OMB addendum ... agencies shall maximize their use of available alternative financing contracting mechanisms, including UESC, when LCC effective, to reduce energy use and cost in their facilities and operations. The third-party financing is repaid through the energy and water savings projects with a 5 to 10 percent cushion for variations in the calculated savings – or as requested by Site Name.

2. Financed UESC projects shall be limited to those with a positive net present value which qualifies project in enclosure (1). (Depending on prevailing interest rates, this should be a payback of approximately Insert Payback Period years.)

3. Name of Contracting Office requests the approval of the project listed in enclosure (1) to be financed using a UESC TO award to Name of Utility. The project has been verified by Name of Contracting Office, Name of Utility, and by Site staff to ensure that this project meets Agency / Site energy/facility goals and economic requirements for UESC including third-party financing as authorized by 42 USC 8256, and further encouraged by Insert Presidential Memo Title, December 2, 2011). Design-build contracts with commissioning and performance assurance will be awarded to implement the work.

4. Site / Budget Office will be responsible for making the payments out of Their Utility Budget to Name of Utility, or its assignee, using project savings. Enclosure (2) is a sample invoice from Utility or Financier. Enclosure (3) is the assignment of claims.

5. Please contact Name of Contracting Office, Contract Specialist at (xxx) xxx-xxx or Project Lead at (xxx) xxx-xxx to discuss questions or concerns regarding invoice approval and payments.

6. The signatures below affirm Site / Budget Office’s approval to proceed with the contract and Name of Contracting Office’s responsibility to install the project as depicted in enclosure (1). During the terms of the third-party financing periods, Site / Budget Office will be responsible for authorizing and making all payments in a timely manner. Should additional funds become available during the term of the contract, Site may have the opportunity to buy out all or buy down any portion of the remaining principal amounts in accordance with the contract terms and conditions.

_____ APPROVAL - Proceed with enclosure (1), Project TO and SOW. All costs and savings information including loan terms contained in enclosure (1) are final at TO award. Repayment of costs financed shall be made from funds budgeted for the purchases of utility services or as designated by Site

/ Budget Office. It is understood that payment by Site / Budget Office to Name of Utility, or its assignee, will begin upon project completion and acceptance in accordance with the negotiated payment stream.

_____ DO NOT APPROVE - Do not proceed with enclosure (1), Project TO and SOW.

7. Effective Date: _____

(Name of contracting office)

(Site or Budget Office)

UESC Invoice – Sample

The following is a UESC invoice sample. In most instances the Utility will arrange for the financing through an agreement with a third party financier, and the agency will likely issue an assignment of claims. However, the actual UESC invoice may be on the utility's letterhead along with the finance company's logo.

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UESC Invoice
Sample (no MS Word version available)

UESC Invoice - Sample



**Washington
Gas**

Original

Invoice No: 4131-015
 Date: December 5, 20XX

Bill To:

XXXXXXXXXXXXX
 XXXXXXXXXXXXX
 XXXXXXXXXXXXX
 XXXXXXXXXXXXX
 XXXXXXXXXXXXX

Ship To:

XXXXXXXXXXXXX
 XXXXXXXXXXXXX
 XXXXXXXXXXXXX
 XXXXXXXXXXXXX
 XXXXXXXXXXXXX

Contractor: Washington Gas Light Company
 Contract No.: XXXXXXXXXXXXXXXX
 Delivery Order No.: XXX
 Terms: Due January 1, 20XX

Payment No.: XX of XXX

<u>Item#</u>	<u>Description</u>	<u>Amount</u>
0001	Design and Implementation of Energy Conservation Measures (ECM), XXXXXXXXXXXXXXXX	\$XX,XXX.XX
Total Amount Due on this invoice:		\$XX,XXX.XX

Please remit payment to:

Mail: XXXXXXXXXXXXXXXX
 XXXXXXXXXXXXXXXX
 XXXXXXXXXXXXXXXX
 XXXXXXXXXXXXXXXX

ACH: Bank Name: XXXXXXXXXXXXXXXX
 ABA No. XXXXXXXXXXXXXXXX
 Acct. No. XXXXXXXXXXXXXXXX
 Ref. XXXXXXXXXXXXXXXX

Accounting Use Only
 Customer No. 4131

UESC Guide

Please fax 703-761-2278 with any questions

Post-Acceptance Performance Section

Agency Project Announcement – Sample

The following Agency Project Announcement Sample is provided to encourage all agencies and utilities to celebrate and share the good news of their successes. Invariably, obstacles have been overcome, an effective UESC process was utilized, partners have collaborated, and perhaps most importantly, goals will be achieved. A succinct project announcement allows all participants an avenue for telling the story and leading by example.

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Agency Project Announcement Sample (no MS Word version available)

Agency Project Announcement Sample

UNITED STATES COAST GUARD ASSISTANT COMMANDANT FOR ENGINEERING AND LOGISTICS

Miami Utility Energy Service Contract

Task Order Brings Energy Efficiency Improvements to District 7

The Coast Guard recently awarded a Utility Energy Service Contract (UESC) for comprehensive Energy Conservation Measures (ECMs) to enhance energy security and improve operations throughout Florida. Although the project is primarily focused at Base Support Unit Miami and Air Station Miami, it also includes improvements at Station Lake Worth Inlet, Station Fort Lauderdale, Communication Station Miami, Marine Safety and Security Team Miami, Electronics Support Detachment Jupiter Light, Civil Engineering Unit (CEU) Miami, Station Port Canaveral, Station Cortez, and Station Fort Myers.

The contract will implement over \$6M of capital improvements with an ECM portfolio that includes boiler plant improvements, enhancements to building automation systems, repair and upgrade of heating, ventilation, and air-conditioning systems, lighting retrofits, building envelope modifications including cool roofs, water and sewer conservation, rate adjustments, and energy awareness. Construction is slated to begin October 2011. The project is estimated to result in annual energy reduction of over 3.2M kWh and annual water reduction of over 2.7 Mgal.

This project was made possible through the following coalition of efforts: leadership, project management, construction management, construction inspection, facility engineering, real property, and environmental support provided by CEU Miami; contracting acumen provided by CEU Cleveland; legal counsel provided by Legal Service Command (Norfolk); AFC-43 funding and approvals provided by the Office of Civil Engineering (CG-43) and Shore Infrastructure Logistics Center; and AFC-30 funding and financial analysis support from the Energy Management Office.



For more information on this project or other Coast Guard sustainability and energy efficiency initiatives, please contact Coast Guard Energy Program Manager, Mr. Daniel Gore at 202-475-5576.

Post-Acceptance Performance Period

UTILITY ENERGY SERVICE CONTRACT

In a UESC, a utility arranges funding to cover the capital costs of the project, which are primarily repaid over the contract term from cost savings generated by the energy efficiency measures. With this arrangement, agencies can implement energy improvements with no initial capital investment. The net cost to the Federal agency is minimal, and the agency saves time and resources by using the one-stop shopping provided by the utility.

UESC Guide 33-30-11

Archived report; updated version available at
<https://www.energy.gov/femp/articles/utility-energy-service-contract-guide>.



For more information, visit
femp.energy.gov

DOE/EE-2093• July 2020

Printed with a renewable-source ink on paper containing at least 50% wastepaper, including 10% post-consumer waste.