Phase 1

Acquisition Planning & Teamwork – The Key to ESPC Success

Acquisition Team Responsibilities and Best Practices

ESPC Project Milestones

- Acquisition Planning  |  Phase 1
- ESCO Selection      |  2
- Preliminary Assessment |  2
- Notice of Intent to Award |  2
- Request for Proposal |  3
- Investment-Grade Audit |  3
- Proposal and Proposal Review |  3
- Negotiations and Task Order Award |  3
- Final Design and Construction |  4
- Project Acceptance |  4
- Post-Acceptance Performance Period |  5
Phase 1  Acquisition Planning – Step 1

Step 1 – The FEMP Federal Project Executive (FPE) helps with project preliminaries:

• Determining whether a pay-from-savings project is feasible
• Educating staff and developing agency support for the project
• Determining what kind of support is needed within agency
• Reviewing issues to consider early
• Engaging DOE-approved Project Facilitator (PF)

FEMP Support and Project Facilitators (PFs)

• Engaging a DOE-approved Project Facilitator (PF) is required
• Services of FPE and PF are provided free to agency through preliminary assessment (PA) review and Notice of Intent to Award
• After that, PF services are provided under an Interagency Agreement (IAA) with DOE for continuing PF services
• Costs can be rolled into ESPC project costs
Best Practices for the Acquisition Team

- Form acquisition team early
  - An acquisition team requires at least:
    - the Contracting Officer and
    - CO’s Representative (COR)
- Clarify roles and responsibilities, manage expectations
- Identify a project champion to keep project on track (may or may not be the project manager)
- Avoid miscommunication: Assign one person to communicate on behalf of the agency with the ESCO (typically CO or COR)

Acquisition Team – Contracting

**Members**
- Contracting Officer (CO)
- Acquisition staff

**Roles & Responsibilities**
- Ensure that contracts adhere to appropriate regulations while addressing agency needs
- Develop contract documents
- Ensure that scope and pricing are in the best interest of the government
- Award the TO
- Ensure that invoices are received and paid through the term of the contract
Acquisition Team – Technical

Members
- Facility Energy Manager
- O&M; may include O&M contractor
- Environment, Safety, & Health Specialist

Roles & Responsibilities
- Act as technical representative for contracting officer
- Identify project goals
- Support development of contract documents
- Support ESCO project development efforts
- Review deliverables
- Provide oversight during construction
- Review and approve annual M&V reports

Who Else?

Include everyone who could affect the project or be affected by the project.
For example:
- Tenants
- Union representative
- Labor relations
- Safety
- Site security
- Real estate

These team members might provide consultation and support during project development.
Acquisition Plan

• DOE Golden Field Office Guidance on Acquisition Planning
  – FAR Part 7 requires acquisition planning for all acquisitions.
  – ESPC task orders are not exempt.
  – Acquisition planning ensures that the government meets its needs in the most effective, economical, and timely manner.

Level of Required Agency Effort Varies

• **Contracting officer and energy/facility manager** will carry most responsibility
  – Other acquisition team members engaged as needed, when needed

• Factors include:
  – ESPC experience on acquisition team
  – Project complexity and size
  – Agency approval process
  – Commitment of acquisition team — Diligence and communication prevent unnecessary backtracking and re-work

[See notes for rough estimates]
Establishing Project Requirements

- The acquisition team establishes project requirements (in broad strokes)
- Determines project motivations and site needs
  - Priority objectives for the project (e.g., meet energy goals, or replace failing equipment)
  - Which buildings/facilities
  - Must-have ECMs
  - “Wish list” ECMs

Considerations in Defining Project Requirements

- Future use of facilities
  - Ten-year site plans; planned construction
- Site needs and priorities based on
  - Command/upper management priorities
  - Condition of equipment
  - Feedback from employees/building occupants
- Site budget for utilities and energy-related equipment and O&M
- Planning for advanced technologies such as combined heat and power and renewable energy
- Unique agency- and site-specific issues
Phase 1 Acquisition Team Tasks – Summary

- Establish acquisition team roles and responsibilities
- Educate stakeholders and build support for the project in the agency
- Address agency-specific procurement requirements
- Draft acquisition plan
- Determine project objectives and requirements (produce requirements document if needed)
- Document your process
- Build project momentum

Best Practices – Streamlining required briefings, reviews, approvals, and business clearances

- Identify review, business clearance, and approval requirements and responsible managers
- Determine
  - when briefings must occur
  - what documents are required
  - who has signing authority
- Prepare for business clearance review concurrently with other process steps
- This is critical to keeping the project on track and preventing delays
A Core ESPC Best Practice: Work with Management

- **Help your organization help you** – Work with Management
  
  - Identify the decision makers – *at all levels* – who have authority to approve the project
  - Make sure managers are *fully briefed* and supportive at each stage
  - Make sure their issues/priorities are addressed
  - Give managers good justification to commit resources to support the project and meet project timelines

**Review Questions**

Q1: Who is the first (FEMP) person to ask for help with your ESPC project?
A: The FEMP Federal Financing Specialist (FFS)

Q2: Are you required to use a Project Facilitator?
A: Agencies who use the DOE-FEMP IDIQ ESPC are required to use a qualified project facilitator.

Q3: FEMP FFS and PF services are provided free until after agency review of the what?
A: Preliminary Assessment
Q4: Who are the two agency staff who typically carry most responsibility for the acquisition team?

A: Contracting Officer and site technical representative

Q5: Name two roles of the acquisition team.

- Create and implement a plan to achieve objectives
- Develop acquisition plan
- Define team roles
- Build site & agency support for project
- Keep everyone on track, keep process moving forward
- Assure a good deal for the government