

PITTSBURGH 2019

APRIL 16-18, 2019

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**Doing Business with
the Department of
Energy, featuring
Federal Energy
Management Program
(FEMP)**

New American Energy Era



18th Annual DOE Small Business Forum & Expo
APRIL 16 – 18, 2019 | PITTSBURGH, PA

Overview

- **DOE's Federal Energy Management Program (FEMP)**
- **ENABLE Program**
- **Energy Savings Performance Contracts**

FEMPs World of “E” Acronyms

ESCO – Energy Service Company

ESPC – Energy Savings Performance Contract

ECMs – Energy Conservation Measures

UESC – Utility Energy Service Contracts

ENABLE – GSA Schedule

Harold Washington Social Security Center - IL



Photo credit: U.S. Social Security Administration

Elements of Success

- **FEMP offers information, tools and assistance to help Federal agencies meet and track their energy-related requirements and goals.**
- **Resources include:**
 - Information/Tools
 - Experts
 - Contracting Shop

DOE Qualified List of ESCOs

- **Required by the Energy Policy Act of 1992 (as implemented by 10 CFR 436.32).**
- **The initial component of the Federal government's multi-tiered ESCO evaluation for Energy Savings Performance Contracting (ESPC) procurements.**
- **The evaluation process is intended as a preliminary, baseline review of the ESCOs' technical and financial capabilities.**

DOE Qualified List of ESCOs (Cont.)

- **ESCO project performance information is collected from multiple sources, reviewed, and evaluated.**
- **FEMP review is based on the information submitted by the ESCO, internet and database searches, and telephone interviews with two client references.**

SNAPSHOT

How the Major Contracts Differ

	<i>ESPC IDIQ</i>	<i>UESC</i>	<i>ESPC ENABLE</i>	<i>Appropriations</i>
Federal Target Market	All Federally owned - ESCOs focus on large projects	Where Fed. Gov't pays utility bill and within participating utility area	Federally owned, suitable for smaller sites (no size limits)	All
ECMs (Scope)	Unlimited	Unlimited	Lighting, Water, Boilers, Chillers, HVAC replacement and controls, photovoltaics	Unlimited
Contract Vehicle	DOE IDIQ, USACE-HNC IDIQ, Site-specific	GSA Area-wide contracts, Basic ordering agreements	GSA Schedule 84 - SIN 246-53	Standard procurement
Procurement Timeline	Award - 6 to 24 mos. Construction - 12 to 24 mos.	Award - 6 to 13 mos. Construction - ~12 mos.	Award - 6 months Installation - 8-12 months	Depends upon procurement complexity
M & V	Required (annual)	Required to qualify for annual (vs. up-front) scoring	Required, simplified M&V	Required
Avg. Investment	\$18M	\$2M to \$3M	\$3M (range from \$0.5 - \$11 million)	N/A

ESPC ENABLE Overview

ESPC ENABLE is a newer funding program that:

- **Is suitable for Federal facilities with buildings under 200,000 square feet (traditionally, underserved market). There is no size limit.**
- **Provides a standardized and streamlined process to quickly award and construct projects using GSA Schedule 84, SIN 246-53.**
 - Many of the Schedule 84 ESCOs (10 out of 26) are small businesses
- **Targets straight-forward ECMs including lighting, water, HVAC equipment replacement and controls, and solar photovoltaics.**

ESPC ENABLE Overview (Cont.)

- Includes basic levels of measurement and verification for each ECM.
- ESCO's are responsible for acquiring financing on projects, which range from under \$500K to \$11 million.
- Of 19 projects awarded, 12 went to small business ESCOs.
- To be considered for ENABLE, ESCOs must register on GSA Schedule 84 and the DOE Qualified List of ESCOs (see information on later slide).

DOE ESPC IDIQ Overview (The 3rd Generation)

- **Indefinite-delivery, indefinite-quantity (IDIQ) contracts awarded competitively to 21 ESCOs by FEMP to streamline the process.**
 - Includes a small business ESCO
- **Agencies negotiate, award and administer task orders under these IDIQs.**
- **Can be used for federally owned agency facilities anywhere in the world.**
- **Scope covers Energy Conservation Measures (ECMs), which includes energy savings and operational savings.**
- **ESCO's are responsible for acquiring financing on projects, which averages \$25M over a 19-year term.**

Potential Energy or Water Conservation Measures (IDIQ)

Boiler and chiller plants

Energy management control systems

Building envelope

HVAC

**Chilled/hot water and steam
distribution**

Lighting

Electric motors/drives

Refrigeration

Distributed generation

Renewable technologies

Energy/utility distribution

Water and sewer

Electrical peak shaving/load shifting

Rate adjustments

Energy-related process improvements

Commissioning

Advanced metering

**Appliance/plug load reductions (Data
Centers)**

ESPC Review: Record of Success

FEMP ESPC IDIQ Results (1998-2018):

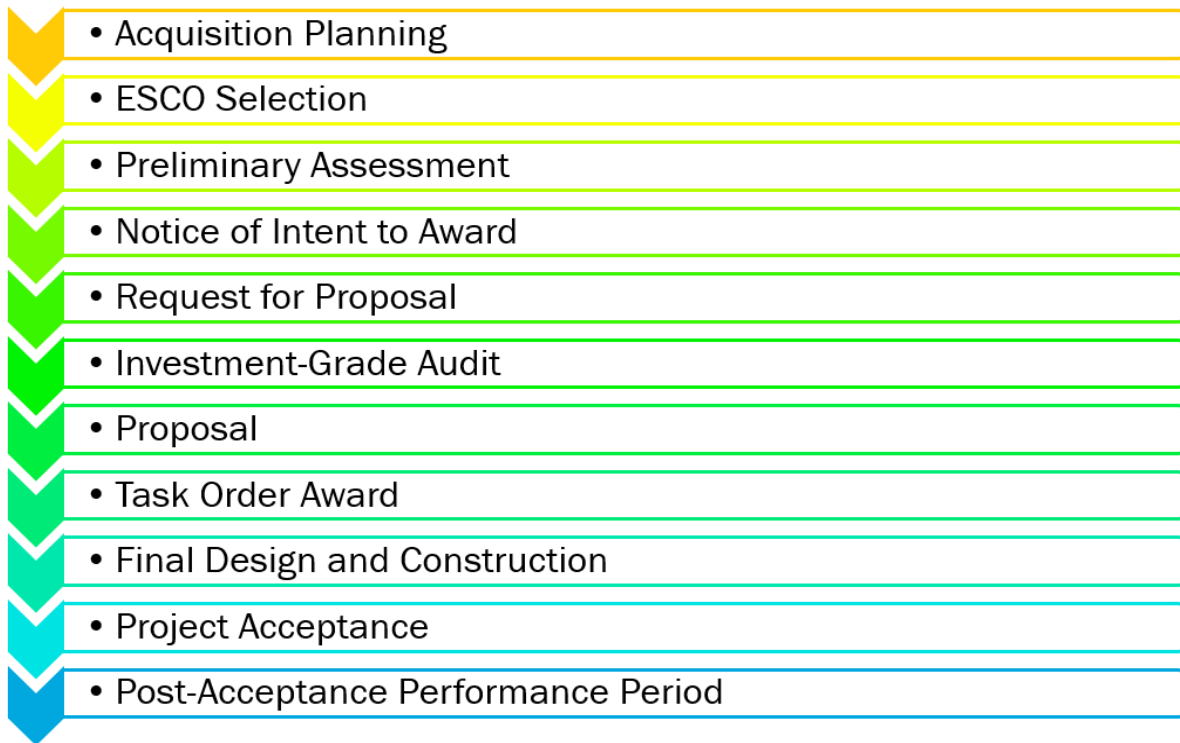
- **More than 400 FEMP ESPC projects have been awarded by 25 agencies.**
- **Total project investment: \$5.85 Billion**
- **Total savings: \$13.73 Billion**
- **Energy savings: 548 Trillion BTUs**
- **M&V reports for FY2016 reported that 108% of guaranteed cost savings were delivered.**

Yellowstone National Park



Photo credit: DOE FEMP

Typical ESPC Process



Project Financing Considerations

- **FEMP requires ESCOs to compete financing among financiers that have a track record in competitive bids for these projects.**
- **Important criteria for obtaining financing:**
 - The interest rate index and spread of their past three projects, and the term and size of the loan
 - Whether the ESCO has a Master Purchase Agreement with a financier
 - Whether the ESCO is covered under a parent company guarantee
 - Who is underwriting the ESCO's performance/payment bond? What is their credit rating?
- **For the various ECMs that are likely to be included in the project, the extent (%) to which the work will be self-performed, and extent (%) expected to be subcontracted.**

ESPC and Small Business Concerns

A frequent question...

- **Are there provisions for small business concerns under the DOE ESPC IDIQ or ESPC ENABLE?**
 - Yes. ESCOs have goals for small business concerns controlled by socially and economically disadvantaged individuals or by women. For each TO under the 2008 IDIQ contract, the ESCO must submit a small business subcontracting plan in the Final Proposal.
 - DOE's ESPC IDIQ defers to the small business requirements of the “using agency with the caveat that 30% is the minimum goal achievement for small business”. The agencies insert their own, enhanced small business requirements into the task order.
- **Such as VA requires 50% and local firms!**

ESPC Subcontracting Opportunities

Contract Stages

Pre-Award

- **Preliminary Assessments & Investment Grade Audits**
 - Energy auditing
 - Engineering services
 - Project development for energy efficiency and renewable energy systems

Post-Award

- **Installation**
 - Project Management services

ESPC Subcontracting Opportunities (Cont.)

Post-Award (cont.)

- Mechanical, electrical, plumbing, controls, HVAC, lighting, renewable energy, ground source heat pumps, combined heat and power, weatherization, envelope, water efficiency
- Test and Balance
- Commissioning and retro-commissioning
- **Performance Period**
 - Measurement and verification
 - Operation, maintenance, and repair

Small Business Opportunities

Subcontracting with DOE ESPC IDIQ contractors and/or ESPC Enable Schedule 84 (SIN 246-53) ESCOs:

- **DOE ESPC IDIQ ESCOs — 21 existing, including one small business**
- **ENABLE GSA Schedule 84 ESCOs — 26 existing, including 10 small businesses**

Small Business Opportunities (Cont.)

Become a GSA Schedule 84, SIN 246-53 vendor (two steps):

- **Apply for the GSA Schedule 84, SIN 246-53:**

Contact - Kevin Mitchell Kevin.Mitchell@gsa.gov 817-850-5555

- **Apply for the DOE Qualified list (also required; see following slides)**

- Contains 110 ESCOs, including ≥ 20 small businesses

Bureau of Land Management - Idaho



*Photo credit: Bureau of
Land Management*

Water Project



Photo credit: George Denslow

NPS scores with two solar panel systems at Manassas National Battlefield Park – will take care of 65% of the electricity



Parking canopies generate electricity – Puerto Rico



*Photo credit: U.S. Army,
Ft. Buchanan*

White Oak, MD...ESPC to construct a CHP for Food and Drug Admin Building



Photo credit: Hankins & Anderson

Energy Efficient Plant –Food and Drug Admin– Silver Spring



Photo credit: Hankins & Anderson

Session Evaluations



Reminder

Please complete the Speaker/Session Evaluation Form located in the Mobile App.

Questions?

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