ENERGY SAVINGS PERFORMANCE CONTRACTS - DELIVERY ORDER MANUAL

ABBREVIATIONS

ACO Agency (Administrative) Contracting Officer

CO Contracting Officer

COR Contracting Officer Representative

DES Detailed Energy Surveys

DO Delivery Order

DOE The Department of Energy

DOSD Delivery Order Selection Document

ECM Energy Conservation Measures

ESCO Energy Saving Company (referred to as Contractor)

ESPC Energy Savings Performance Contracts

FASA Federal Acquisition Streamlining Act

FEMP Federal Energy Management Program

FPDS Federal Procurement Data System

IAG Interagency Agreement

M & V Measurement and Verification

MOU Memorandum of Understanding

O & M Operation and Maintenance

PCO DOE Procuring Contracting Officer

PM Project Manager

RFP Request for Proposal

SDP Site Data Package

STR Site Technical Representative

Super ESPC An indefinite delivery, indefinite quantity contract where the prime contractor awardees have been competitively selected.

TABLE OF CONTENTS

Background	5
Purpose	5
REGIONAL Super ESPCs	6
Required Initiating Documents	9
Alternative Approaches to Award	9
Preparing a Delivery Order Package Step 1 - Define the Requirement Step 2 - Develop the DO RFP Step 3 - Contractor(s) prepares the technical and price proposals Step 4 - Contractor Offer and Government Evaluation of Offer Step 5 - Pre-Award Requirements and Negotiations Step 6 - Delivery Order Award Step 7 - Delivery Order Execution	11 12 12 13 14
Post Award	14
Steps from Post Award to Close-out1a. Design Submittals1b. Equipment Procurement Submittals1c. Receive Installation Plan Submittal1d. Review and Approve Installation Plans1e. Receive Payment and Performance Bonds1f. Installation1g. Inspection and Acceptance1h. Begin Payments1i. Review and Approve Invoices1j. O&M Training1k. Conduct Periodic Performance Verification1l. Reconciliation of Energy Savings Performance1m. Review Continuous O&M Service Support1n. Delivery Order Performance Evaluation1o. Delivery Order Close Out1	15 15 16 16 16 17 17 17
	REGIONAL Super ESPCs Required Initiating Documents Alternative Approaches to Award Preparing a Delivery Order Package Step 1 - Define the Requirement Step 2 - Develop the DO RFP Step 3 - Contractor(s) prepares the technical and price proposals Step 4 - Contractor Offer and Government Evaluation of Offer Step 5 - Pre-Award Requirements and Negotiations Step 6 - Delivery Order Award Step 7 - Delivery Order Execution Post Award Steps from Post Award to Close-out a. Design Submittals b. Equipment Procurement Submittals c. Receive Installation Plan Submittal d. Review and Approve Installation Plans e. Receive Payment and Performance Bonds f. Installation g. Inspection and Acceptance h. Begin Payments i. Review and Approve Invoices j. O&M Training k. Conduct Periodic Performance Verification l. Reconciliation of Energy Savings Performance m. Review Continuous O&M Service Support n. Delivery Order Performance Evaluation

ATTACHMENTS

- 1.
- Sample MOU
 Delivery Order RFP Prescriptive format template
 Delivery Order Selection Document
 Delivery Order Award Letter
 Notification to Congress 2.
- 3.
- 4.
- 5.

A. Background

Energy Savings Performance Contracts (ESPC's) are authorized by the Energy Policy Act of 1992, Pub L. 102-486. ESPC's offer a unique method of contractor financing to implement energy efficient technologies. In return, contractors receive payment from Federal agencies derived from the energy and energy-related maintenance cost savings.

B. Purpose

The Department of Energy (DOE) has set up Regional Super Energy Savings Performance Contracts for the use of all Federal agencies. Each Super ESPC covers a large regional territory, the DOE Super ESPC regions are: Mid Atlantic, Northeast, Midwest, Southeast, Western, and Central.

The Super ESPC uses general ESPC terms and conditions imbedded in the technology-specific contracts, and site specific Delivery Orders (DO's) to award the performance of selected projects. Agencies may issue DO's "under" a Super ESPC to acquire energy efficiency and renewable energy for their facilities.

The DO process allows Federal agencies two options, either: a) further compete projects among awardees; or b) select a single contractor to implement a project at your site.

Agencies tailor the DO's to meet their sites specific conditions and needs. DO's can only be issued to the competitively selected Energy Saving Companies (ESCO's) that were awarded Super ESPC prime contracts by DOE. The ESCO's submit proposals for projects in response to DO requests for proposals (DO RFP's). The authority to sign DO's under these contracts can only be delegated to an agency by the DOE Procuring Contracting Officer (PCO).

A Memorandum of Understanding (MOU) between DOE and the ordering agency is always required before the agency can issue a DO against any of the indefinite delivery indefinite quantity (IDIQ) contracts for a specific project or projects. A sample MOU is provided in Enclosure 1. The MOU provides the agreement of the parties on the division of responsibilities relative to pursuing a DO award or awards at agency site(s). Such letters can be signed by the agency organizational unit authorized to make financial commitments against the energy and energy-related maintenance operating accounts for the agency site that will host the DO project. All MOU's must include reporting requirements from the ordering agency to the PCO for the Super ESPC.

C. REGIONAL Super ESPCs - The Federal Energy Management Program has established six Regional Super ESPC's:

Western Region Super ESPC (See attached map for covered states)

A joint venture of the Bentley Company/BMP Team, Puget Sound Energy, and MacDonald Miller Company
Energy Pacific
ERI Services
Johnson Controls Government Services
Honeywell

Central Region Super ESPC

DukeSolutions
Energy Pacific
ERI Services
Honeywell
Johnson Controls Government Services
NORESCO

Midwest Region Super ESPC

DukeSolutions
Energy Pacific
ERI Services
EUA Cogenex
Johnson Controls Government Services
NORESCO

Southeast Region Super ESPC

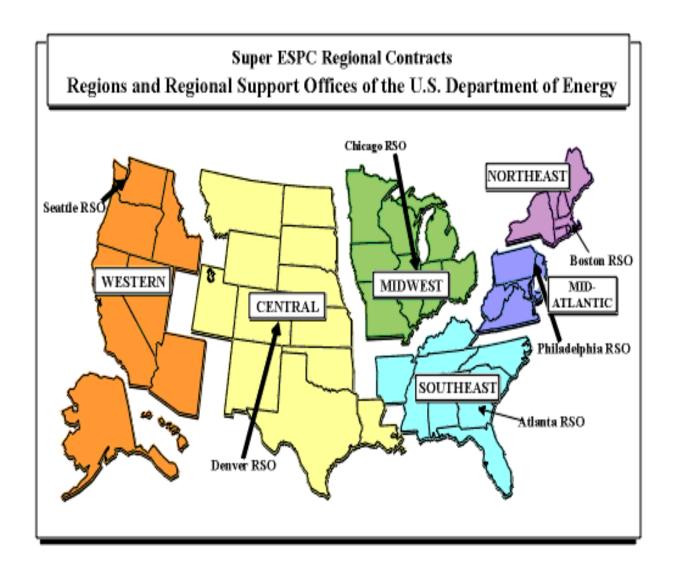
Sepra Energy Services (formerly CES/Way International)
DukeSolutions
Energy Masters Corporation
ERI Services
Honeywell
Johnson Controls Government Services

Mid-Atlantic Region Super ESPC

EUA Cogenex ERI Services HEC Honeywell NORESCO Siebe Government Services

Northeast Region Super ESPC

DukeSolutions
CES/Way International
ERI Services
HEC
Honeywell
Johnson Controls Government Services
Siebe Government Services
Xenergy



The Contracting Officer (CO) for all Super ESPCs is located in Golden, Colorado and can be reached on 303-275-4719. Specific information is available at the FEMP web-site http://www.eren.doe.gov/femp/financing/espc.html

To begin, contract the FEMP Help Desk at (800) DOE-EREC (363-3732), and ask for the representative of the region were the work will be performed.

- **D.** Required Initiating Documents The following is a list of the documents needed to initiate, process, and monitor a DO.
- 1. Site-specific MOU between DOE and the Agency, Enclosure 1
- 2. Site Data Package (SDP)
- 3. Delivery Order Request For Proposal (DO RFP), Enclosure 2
- 4. Delivery Order Selection Document, Enclosure 3
- 5. Delivery Order Intent to Award Letter, Enclosure 4
- 6. Notification to Congress letter (if cancellation ceiling exceeds \$10 million), Enclosure 5
- 7. Delivery Order Performance Evaluation
- 8. Funding Requisition (stating that funds are available in the event of contractor default or termination of contract).

E. Alternative Approaches to Award

Once it has been determined that there is an agency need and an agency can use the Super ESPC contract, there are two approaches to award a DO. Awards may be made for projects that have been:

- 1. Government (Agency)-Identified
- 2. ESCO (Contractor)-Identified

Note: Prior to issuing the DO RFP, the agency is required to obtain authorization from the DOE PCO. The DOE is responsible for tracking the ceiling on the contract.

Government Identified Project: Once an agency has identified a project and determined that it is feasible to implement as a DO, it begins the preparation of a DO RFP. The agency then determines whether to issue the DO RFP competitively or single source (see steps in F1 and 2 below.)

- 1. If competitive the DO RFP, which must include proposal requirements and evaluation criteria, is issued to multiple ESCOs; proposals are received and evaluated; an ESCO is selected; and a Notice of Intent to Award is issued.
- 2. If single source the DO RFP, which includes proposal requirements but no evaluation criteria, is issued to a single ESCO. If the Government decides to pursue the project after reviewing the single ESCO's initial proposal, a Notice of Intent to Award is issued. With Notice in hand the selected ESCO performs a Detailed Energy Survey and develops a revised proposal with supporting feasibility analysis. Preliminary negotiations occur during development of the revised proposal so that agreements can be reached on technical issues such as Energy Conservation Measures (ECMs), equipment, and subcontractor selection. Final negotiations result in agreement on all aspects of the offer

including price. After the remaining pre-award requirements are verified, and a final agreement is reached, the award is made. If pre-award requirements have not been met or the parties are unable to negotiate a final agreement, the agency goes to the next highest ranked contractor as per the Delivery Order Selection Document (DOSD) (if DO RFP was issued competitively) or reissues the DO RFP to other ESCO's (if DO RFP was issued single source).

ESCO Identified Project: The ESCO identified project option is included in the IDIQ contracts to incorporate one intent of the ESPC legislation (42 USC 8287), which was to encourage ESCOs to initiate projects with Federal agencies. Under this option, the ESCO must request and obtain Contracting Officer Representative (COR) approval to submit a proposal before doing so. The COR grants approval in cases where the agency site appears able and willing to consider an ESCO-identified project on a single-source basis.

Implementing a DO project involves entering into a long-term partnership with an ESCO. Agency sites reluctant to enter into a long-term partnership without first exploring their options have the right to participate in informal communications with several or all of the IDIQ ESCOs before indicating to the COR which ESCO they are willing to consider a single-source offer from. Agency sites also have the right not to consider a single-source offer from any ESCO.

After receiving COR approval, the ESCO identifies potential ECM projects and submits an initial proposal to the agency. The agency reviews the initial proposal and decides whether to pursue the project further, and if so whether to issue the DO RFP single-source or competitively. If single-source, the DO RFP, which includes proposal requirements but no evaluation criteria, is issued to the originating ESCO along with a Notice of Intent to Award. Although the agency previously indicated to the COR a "willingness to consider" an ESCO-identified project on a single-source basis, the agency can still decide to issue a competitive DO RFP after reviewing the initial proposal. In this case, the originating ESCO's initial proposal remains the property of the ESCO unless the agency and ESCO agree on a price and the agency acquires the initial proposal.

If a competitive DO RFP is to be issued, the agency must define the requirement, prepare the DO RFP, issue the DO RFP to multiple ESCO's, receive and evaluate proposals, select an ESCO, and issue a Notice of Intent to Award. After the Notice, the government-identified and ESCO-identified project processes are identical. (See steps F3)

F. Preparing a Delivery Order Package Description of the Process

Note: In all of the following discussions, the "cognizant CO" means the CO signing the DO, and may refer to the DOE PCO or an ACO as appropriate.

Step 1 - Define the Requirement

For all projects, the agency and site-specific requirements that relate to sections of the contract are incorporated into the IDIQ contract with the DO RFP. However, the actual technical definition of the project is developed in a different manner depending on whether the project is government-identified or contractor-identified.

For government-identified projects the Government develops what is called a Site Data Package (SDP). The SDP characterizes the site and/or building(s) in their present configuration and utilization, and identifies the technology categories in which the Government will entertain ECM proposals. To support proposal development in those buildings and technology categories, the SDP includes historical energy consumption data, utility rate schedules, general site information, building composition, hours of operation, functional requirements (e.g., temperature/humidity setpoints, lighting levels, etc.), and a complete inventory of energy consuming equipment and systems. The SDP consists of a narrative, a spreadsheet, and attachments where necessary. Assembling the SDP is a time consuming process; however, it provides the information that the ESCOs need in order to develop initial proposals that the Government can evaluate on a common basis. When source selection is complete the Government has the option of requiring the selected contractor to revise relevant SDP workbook tables with information discovered during the Detailed Energy Surveys (DES), as a means of documenting the initial conditions of energy consuming systems to be modified by the project. The ECMs offered in the selected contractor's post-DES revised proposal, finalized in negotiation, technically define the project.

In contractor-identified projects a SDP is not required for source selection and therefore is not developed by the Government. The ESCO is not required to develop this detailed level of information as part of its initial proposal. Generally, the Government controls the scope of the initial ESCO survey and proposal by identifying at a kickoff meeting the buildings and technologies that the ESCO is to consider, and the ESCO submits an initial proposal. However, if the Government decides to pursue the project, the Government may elect to require the contractor to develop SDP workbook tables with information discovered during the DES, as a means of documenting the initial conditions of energy consuming systems to be modified by the project. The ECMs offered in the contractor's post-DES revised proposal, finalized in negotiation, technically define the project.

Before a DO RFP is issued, an estimate of the maximum potential price of the DO is required so the DO PCO can verify that sufficient ordering capacity remains. For contractor-identified projects, the ESCO's initial proposal can be used for this purpose. For government-identified projects, this may involve preliminary ECM selections by the Government, estimates of savings and implementation prices, application of maximum margins and financing rates, selection of a performance period term that enables savings to exceed contractor payments with some margin for uncertainty, and summing contractor payments over the term to estimate price.

Step 2 - Develop the DO RFP

As described previously, the agency is required to provide the estimated maximum dollar value of the DO to the DOE PCO and obtain authorization prior to issuing a DO RFP. This requirement prevents agencies and contractors from expending resources on projects that would push cumulative orders against the IDIQ contracts over the ceiling. For government-identified projects, the agency shall also conduct a "fair opportunity" review and determine if the DO will be competed or issued as a single source. The CO will draft a memorandum identifying and justifying the intended route.

The agency is responsible for developing the DO RFP, which at time of DO award effectively incorporates all agency/site-specific requirements into the agreement with the selected contractor. The DO RFP prescriptive format template in Enclosure 2 is a resource to assist in the development of your DO RFP. It provides instructions by specific contract Section numbers (in chronological order) for defining the agency/site-specific requirements for your DO. Reminder: The overall scope of work, terms, and conditions are established within the IDIQ contract. The DO provides site specifications and any unique agency requirements as allowed by the Super ESPC IDIQ. Having this template precludes the need to review the entire IDIQ contract in order for the agency to determine what should be addressed in its DO RFP.

DO packages must be UNCLASSIFIED regardless of the classification of the work to be performed within the DO. The ACO will release the DO RFP with a cover letter.

Step 3 and Step 4 - Contractor Offer and Government Evaluation of Offer.

Steps 3 and 4 only applies to government-identified projects. Skip to Step 5 if this is a contractor-identified project.

If the government-identified project is intended to be single-source, the steps merely result in the initial technical and price proposal from one contractor, which is reviewed to determine whether or not to proceed. In competitions, the government receives and evaluates multiple technical and price offers.

Step 3 - Contractor(s) prepares the technical and price proposals

The Contractor(s) prepare(s) the Government technical and price proposals in accordance with the IDIQ unless otherwise stated in the DO RFP.

Step 4 - Contractor Offer and Government Evaluation of Offer

The ACO and STR review the technical and price proposals from the contractor(s) in accordance with the IDIQ unless otherwise stated in the DO RFP.

The IDIQ contract provides the recommended default maximum requirements to place on ESCO's to propose against specific DO projects, and the procedures by which they will be evaluated (i.e., if the DO RFP developed in Step 2 does not provide different instructions for these sections, then these will be used). The agency decides whether this level of requirement is used. If an agency wants to use a more limited evaluation procedure, and therefore require less in submissions, they need only indicate this in the DO RFP as to what their replacement requirements are.

The agency is responsible for ensuring the protection of proprietary information contained in a contractor's proposal from unauthorized disclosure. It is the contractor's responsibility to ensure that all proprietary information is appropriately marked.

Delivery Order Selection Document (DOSD)

All routes to a DO require that the cognizant CO prepare and sign a DOSD. See Enclosure 3 for the required content and format for the DOSD. In all cases, whether a competition was performed or whether an exception is cited, the DOSD must be signed by the cognizant CO. The cognizant CO will verify by his/her signature that the evaluation, best value decision, or exception justification were conducted fairly and in accordance with existing regulations, the IDIQ contract, and with these guidelines.

Step 5 - Pre-Award Requirements and Negotiations

A contractor-identified project will also require that the cognizant CO prepare and sign a DOSD. See Enclosure 3 for the required content and format for the DOSD. The DOSD should indicate a contractor-identified project in the appropriate areas. The cognizant CO will verify by his/her signature that the award is in accordance with existing regulations, the IDIQ contract, and with these guidelines.

The remaining guidelines apply to either the government- or contractor-identified projects.

The cognizant CO sends out the Notice of Intent to Award to the selected contractor and notifies the unsuccessful offerors if the selection was made on a competitive basis. A sample Notice of Intent to Award letter is provided under Enclosure 4. The Notice of Intent to Award letter specifies a time frame within which the selected offeror must conduct the DES of facilities and energy systems at the project site.

Under all three routes to a DO award, the agency selects an awardee for the DO project as the "conditional" winner. The selected ESCO must meet certain pre-award requirements as detailed in the DOE DO Guidelines, and the agency must be able to negotiate an acceptable final agreement with the ESCO. The contractor performs the DES of the facilities and energy systems at the project site, updates feasibility analyses based on the discovered information,

communicates with the agency site to obtain agreements on selections (ECMs, equipment, subcontractors, etc.), and provides DES revised proposal submittals.

The agency uses the submittals to prepare for negotiations. The Agency CO and STRs conduct negotiations with the selected contractor. These schedules will be incorporated into the award as will any new or revised technical requirements/specifications as a result of the DES. Final negotiations result in agreement on all aspects of the offer including price. A negotiation memo is drafted for the file.

Once negotiations are completed successfully, the contractor confirms financing and bonding for the project. The agency then issues congressional notification, if applicable. The statute only requires that Congress be notified if the first year cancellation ceiling in DO schedule exceeds \$10 million. The \$10 million was raised from \$750,000 as of October 2000. A sample notification is provided in Enclosure 5 (however, the sample precedes the raise in ceiling rate).

Step 6 - Delivery Order Award

The cognizant ACO awards the DO by issuing a DO transmittal letter referencing the DO RFP, and DES and revised final proposal submittals. If the DOE is signing the DO, the agency must provide DOE with a funding document verifying that funds for the first year's payments are committed.

Note: Federal Procurement Data System (FPDS) requires reporting of procurement actions. There are two methods to accomplish the required reporting; 1) the estimated amount may be reported at the time of award for that fiscal year, and a correction made at the end of the fiscal year for the exact amount expended, or 2) submit a SF-279 for each payment made during the fiscal year.

Step 7 - Delivery Order Execution

The contractor submits proof of insurance within 15 days after the DO award. The cognizant CO issues a notice to proceed with design after receipt of proof of insurance. The contractor initiates the work identified in the DO.

G. Post Award

The DOE recommends that a post-award conference be held. A post-award conference will provide the agency and ESCO project teams with an opportunity to meet and review details pertinent to the ECM installation, post-installation and energy audits, operations, maintenance, and other matters related to contract performance. The objectives of the post-award conference are to discuss the roles and responsibilities of the ESCO during the execution of the ESPC project and to define administrative procedures. This meeting also should lay the foundation for

a strong working relationship between the ESCO and the Government. Typical next steps after the post-award conference are briefly described below. These steps are generally the same for all DO routes.

H. Steps from Post Award to Close-out

a. Design Submittals

The government specifies the design submittal and review process required as part of the ESCO proposal of the IDIQ contract as supplemented by the DO RFP. A common sequence is preliminary design submittals, government review, final design submittals, and government back-check. Government approved contractor submittals become requirements of the IDIQ contract. Acceptance of designs by the government does not relieve the contractor of responsibility for the adequacy of its designs. Designs shall conform to the standards of the IDIQ contract as supplemented by the DO RFP.

b. Equipment Procurement Submittals

The Government approves equipment selections and orders under the IDIQ contract. The Government specifies the equipment selection, order date, delivery date submittals, and approval process required as part of the ESCO proposal as supplemented by the DO RFP. Government approved contractor submittals become requirements of the IDIQ contract. Equipment shall conform to the standards of the IDIQ contract as supplemented by the DO RFP.

c. Receive Installation Plan Submittal

The Government specifies the general installation, commissioning, inspection, and acceptance process required as part of the ESCO proposal as supplemented by the DO RFP. In its technical proposal, the ESCO provided a project schedule which described when, after DO award, the ESCO would submit installation plans for each ECM. The installation plans are to be submitted within the time frame specified by the ESCO in its proposal. The minimum requirements for the installation plans are specified by the Government in the IDIQ contract as supplemented by the DO RFP.

d. Review and Approve Installation Plans

The objective of the installation plan is to provide detailed information for the Government's Site Technical Representative at the project site to confirm that the ECM to be installed complies with contract requirements, (i.e., the ECM being installed by the ESCO is as described in its proposal which was approved by the Government and hence became a requirement of the contract, and the ECM meets applicable design and construction standards of the IDIQ Contract

as supplemented by the DO RFP), and to provide data and information to allow the Government to schedule and conduct periodic inspection of ESCO installation of ECMs as per the IDIQ contract as supplemented by the DO RFP.

The Government STR and other facilities or engineering staff must review and approve the installation plans for contract compliance and coordination/scheduling of installation inspection. Upon installation plan approval, the cognizant CO will provide the ESCO with a notice to proceed with ECM installation, subject to the CO's receipt of acceptable performance and payment bonds.

e. Receive Payment and Performance Bonds

Upon request of the CO, the ESCO shall submit acceptable performance and payment bonds within a specified time frame (30 days) after approval of ECM installation plans. The performance and payment bonds shall comply with the requirements of the IDIQ Contract as supplemented by the DO RFP.

The bonds must be provided before any installation work may be started, and then only after a Notice to Proceed with ECM Installation is provided by the CO.

f. Installation

The agency is responsible for monitoring the ESCO progress throughout the ECM installation period to ensure that the work is proceeding as planned as per the IDIQ contract as supplemented by the DO RFP. Before and during ECM installation, the ESCO is required to provide the agency with various forms and plans which include, but are not limited to, the following:

- ECM Quality Control Inspection Program Plan
- Notification of Work Outside Regular Hours Form
- Notification of Planned Utility Outages Form
- Notification of ECM Testing Form

g. Inspection and Acceptance

The agency must conduct inspection and acceptance to verify that ECM's meet contract requirements and have the potential to deliver guaranteed savings as per the IDIQ contract as supplemented by the DO RFP. The agency also is responsible for verifying that the ESCO has submitted all required documentation as stated in the contract. Documentation may include asbuilt drawings, a spare parts list, an O&M Plan, necessary manuals, demonstration video tapes, and a schedule for training government employees.

h. Begin Payments

For contractor payments to begin, the cognizant CO must provide written notification to the ESCO that the installation has been accepted and complies with the terms of the contract. The ESCO can then invoice the Government monthly.

i. Review and Approve Invoices

The IDIQ contract as supplemented by the DO RFP will provide specific instructions on the timing, format, and processing of invoices for payment. The agency is responsible for verifying the monthly invoice contains any required Measurement and Verification (M&V) documentation data before issuing payment to the ESCO.

j. O&M Training

Training should be provided to facility management and maintenance personnel as set-forth in approved contractor submittals that are now requirements of the contract.

k. Conduct Periodic Performance Verification

The site-specific M&V plan was submitted as part of the contractor's revised final proposal and approved by the agency and hence is now a requirement of the contract. This plan establishes the intervals at which pre-specified measurements and monitoring will take place during the performance period term to verify that the guaranteed level of savings/performance is being delivered. The interval for periodic M&V of ECM Energy Savings Performance must be at least annually as specified by 10 CFR 436.37. The site-specific M&V plan should also establish the documentation that will be provided by the Contractor during periodic performance verifications. This documentation is referred to in the *Federal Energy Management Program (FEMP) M&V Guideline* as the regular interval report. It generally verifies continued operation of the installed equipment components or systems and the associated energy savings, demonstrates proper maintenance, and provides M&V results. The energy savings documented in the report provides information to verify that the ESCO has met performance guarantees.

The agency is responsible for reviewing and approving the ESCO regular interval report. It is recommended that the agency conduct spot checks of ECMs to identify potential performance deficiencies (i.e., standards of service and energy savings). Periodic inspections provide the agency with independent information on whether to evaluate regular interval reports.

1. Reconciliation of Energy Savings Performance (if required)

If the actual savings are less than the guaranteed savings, the ESCO must reimburse the Government for any overpayment as per the IDIQ contract.

m. Review Continuous O&M Service Support

The contractor is required to provide continuous O&M of its installed equipment throughout the performance period as specified and approved in its technical proposal, which is incorporated as a requirement of the contract. The contractor may use agency in-house staff in the fulfillment of its duties under the contract. The agency shall periodically conduct inspections and review the regular interval report documenting and verifying ECM performance to confirm that O&M is being provided by the contractor as specified in the Contract.

n. Delivery Order Performance Evaluation

The agency shall develop and utilize a surveillance plan to monitor and evaluate the contractor performance over the life of the contract. The surveillance plan activities, contractor monthly status reports, and the review of the regular interval reports will provide information to the evaluation. This evaluation will be performed at the completion of the ECM installation, at regular intervals determined by DOE (i.e., annually after the regular interval report(s)), and at the contract termination. This will assist the Government in measuring the effectiveness of the Super ESPC Contractors.

The Performance Evaluation will be provided to the contractors for their comment and then entered into the DOE Past Performance Data Base. Agencies desiring to participate in the Super ESPC may obtain these records to support their source selection decisions. The contractor will also have access to this Data Base.

o. Delivery Order Close Out

The Agency will draft a notice to the contractor that the performance period is complete, payments will cease, and the agency assumes ownership of the project equipment.

RICHARD G. IRWIN Director Procurement and Property Division

Attachments

- 1 Sample MOU
- 2 Delivery Order RFP
- 3 Delivery Order Selection Document
- 4 Delivery Order Award Letter
- 5 Notification to Congress

MEMORANDUM OF UNDERSTANDING BETWEEN U.S. DEPARTMENT OF ENERGY FEDERAL ENERGY MANAGEMENT PROGRAM AND

[Insert Agency and Program] for

SUPER ESPC PROJECT SUPPORT

[Insert Date]

I. BACKGROUND

Passage of the Energy Policy Act of 1992 (EPAct) mandated a 20% reduction in energy consumption levels at federal facilities by the year 2000. Executive Order 12902 dated March 8, 1994, increased this goal to 30% by the year 2005 and stipulated that all cost effective energy and water conservation projects be implemented within this time period. The mandate also included a goal of 20% energy savings for Federal industrial sites.

Congress charged the Department of Energy (DOE), Federal Energy Management Program (FEMP) with a leadership role in federal energy management. FEMP provides many services to support Federal agencies, including audits, design assistance, training, information, and promotion. In addition, FEMP is providing a leadership role in implementing Energy Savings Performance Contracting (ESPC), bringing together private sector financing for Federal energy projects, and removing barriers to implementation of ESPC projects.

ESPC is authorized by 42 U.S.C. 8287 and allows Federal agencies to enter into multi-year contracts lasting up to 25 years. ESPC provides that the contractor incur the costs of implementing energy saving measures, including minimally the costs incurred in providing energy audits, acquiring and installing equipment, and training personnel. Repayment of the contractor's investment is provided from a share of the energy cost savings resulting from implementation of such measures.

The DOE is establishing Regional and Technology-Specific Super ESPCs, technically Indefinite Delivery/Indefinite Quantity contracts or IDIQ, in order to simplify the process of ESPC. Under this concept, DOE will prepare solicitations and award contracts to a number of energy service companies (ESCOs) to provide private sector-financed energy services for Federal facilities in each of six DOE Regions or for any Federal facility for projects involving a Technology-Specific Super ESPC. Therefore, FEMP is seeking partnerships with Federal Agencies that are interested in pursuing projects under Super ESPCs.

II. PURPOSE

The purpose of this Memorandum of Understanding (MOU) is to clearly establish the organizational relationships, responsibilities, and activities of both DOE FEMP and (*Agency*) for award of project Delivery Orders under the Regional and Technology-Specific Super ESPCs. The MOU will outline responsibilities from project screening through project installation and provide for continued communication or support as necessary during the term of the Delivery Order.

III. <u>AUTHORITY</u>

Authority to enter into the MOU is provided under 42 USC 7256, which allows DOE to enter into agreements with other public agencies in order to further DOE's mission. (*Agency should insert any applicable statutory authority required to enter into a MOU.*) The authority for Federal agencies to enter into ESPCs is provided under 42 USC 8287.

IV. <u>DESCRIPTION</u>

There are six Regional Super ESPCs. These regional contracts are available for use by Federal agencies in all 50 states, the District of Columbia, and U.S. territories for project Delivery Orders. The agency may also use DOE Technology-Specific Super ESPCs for any facility seeking to implement a specific energy technology. Technology-Specific Super ESPCs awarded to one or more ESCOs require the implementation of specific technologies and energy efficiency measures for related energy consuming. The IDIQ contract award contains terms and conditions generally applicable to all Federal agencies. Each project Delivery Order will include all agency specific requirements, terms and conditions and all project specific information. These awarded Delivery Orders will be to selected ESCOs for energy efficiency projects at designated (*Agency*) locations. Models for the Delivery Order Request for Proposal (DO RFP), the proposal evaluation process, the Delivery Order, and other documents as necessary will be provided by DOE. Delivery Orders will be signed by the Department of Energy's Contracting Officer unless specific authority has been delegated to an agency. Concurrence for entering into the Delivery Order will be given by agency technical, contracting, and financing personnel. Administration of the Delivery Order and project will be delegated to the Agency.

V. RESPONSIBILITIES

The following paragraphs identify the primary responsibilities of the organizations involved from Delivery Order award through its completion. This is designed as a collaborative process with involvement from appropriate parties at all stages.

- A. Department of Energy's Regional and Technology-Specific Team (including support from DOE National Laboratories and assigned contractors) will:
 - 1. Outline cost and availability of technical and contractual resources that will be provided, on a reimbursable basis, to assist the agency as follows:

- A. Support in explaining the Super ESPC process and assist in resolving any issues internal to the Agency.
- B. Guide agency preparation of the DO RFP to ensure the RFP contains all agency specific requirements, terms, and conditions.
- C. Advise in reviewing proposals and negotiating a Delivery Order.
- D. Explain roles and responsibilities for the administration of the Delivery Order.
- E. Advise about issuance of the Delivery Order to the ESCO or delegation of authority to designated agency contracting officer.
- F. Provide guidance material for project implementation and Delivery Order administration.
- G. On-going support for resolution of issues involving the IDIQ contract.
- H. Maintain and provide past performance information on DOE Super ESPC ESCOs.

B. (Agency) staff will:

- 1. Obtain internal commitment from appropriate management, contracting, financial, and technical personnel to enter into a Delivery Order(s) under the DOE Super ESPCs.
- 2. Form project teams to include technical, financial, procurement and other agency representatives as needed to resolve internal issues and provide technical and contractual support.
- 3. Identify the scope of the project and/or facilities for energy and water management projects and collect information for the standard data package.
- 4. Determine the estimated value of the delivery order and obtain authorization from the DOE Contracting Officer or contract specialist prior to issuing a DO RFP to ensure ceiling is available under the IDIQ contract.
- 5. Prepare and issue the DO RFP and conduct site walk-throughs as appropriate.

- 6. Conduct the proposal review process for selection of an ESCO, negotiate the Delivery Order with the selected ESCO, designate agency personnel administration and technical support, and prepare the Delivery Order.
- 7. Notify Congress if the Delivery Order cancellation ceiling is \$750,000 or more.
- 8. Sign the Delivery Order or obtain internal concurrence for DOE to sign the Delivery Order (if agency has not been delegated Delivery Order signature authority).
- 9. Demonstrate commitment to the project at all levels of the organization and accept responsibility for administering Delivery Order, including budgeting for contractor payments during the term of the Delivery Order.
- 10. Alert DOE to significant issues requiring resolution and changes in designation of agency personnel; and provide feedback to DOE on the performance of the ESCO on an annual basis.

VI. PUBLIC INFORMATION COORDINATION

News releases or conferences held for the purpose of publicizing this partnership, and the results, thereof, will be conducted jointly or with the concurrence of the other parties with respect to content.

VII. FUNDING

Each party will assume responsibility for staff costs for providing the services of their organization to the extent outlined in this MOU. Additional contracting and technical services will be available through DOE for support of agency projects, based on reimbursement of full costs. DOE has been authorized to accept funds from other agencies for use of the Super ESPCs. The details of the levels of support to be furnished and the associated costs will be developed in specific interagency agreements. This MOU shall not be used to obligate or commit funds or as the basis for the transfer of funds.

VIII. EFFECTIVE DATE, AMENDMENT, AND TERMINATION

- A. This MOU becomes effective on the date of the later signature.
- B. The parties to this MOU will meet or conference call periodically during the Delivery Order development phase through the project installation and as necessary thereafter. At the request of either party, this MOU may be reviewed. Any necessary additions, deletions, or changes shall be made in writing and signed by the signatories or their designated representatives.

C. This MOU will remain in effect through the term of the DOE Super ESPC or until superseded or terminated by written mutual agreement. Either party wishing to terminate the MOU shall submit a written notification with sixty (60) days' notice to prevent unreasonable disruption to the project.

IX. ACCEPTANCE OF AGREEMENT

(Include more spaces for signatures if determined necessary by the Agency)

DEPARTMENT OF ENERGY	AGENCY
Name:	Name:
John Archibald	
Title: Director, FEMP	Title:
Date:	Date:

Revised 11/10/98 5

DOE SUPER ESPC PHOTOVOLTAIC TECHNOLOGY-SPECIFIC IDIQ CONTRACTS DELIVERY ORDER REQUEST FOR PROPOSAL (DO RFP)

(Prescriptive Format)

AGENCY DO RFP NUMBER:

CONTRACTING OFFICER: PHONE AND FAX NUMBERS:

GENERAL INSTRUCTIONS FOR COMPLETION OF THE DO RFP:

ALL the terms and conditions of either of the two photovoltaic technology-specific IDIQ contracts apply to this DO RFP, unless changed by completion of the contract paragraphs identified below. Any additions/deletions/changes to those contract requirements identified below, as explained with the change to them, override the contract requirements, which is permitted by the contract language. The paragraph numbering below is the same numbering as the contract. IF A CONTRACT PARAGRAPH IS NOT CHANGED, DELETE IT, ALONG WITH THIS NOTE. All prescriptive (italics) language should also be deleted prior to issuance of the DO RFP. In some cases information must be provided, and in others it is optional, as indicated in the prescriptive language.

Contract

Para. No. Title and Description

C.1 (open for use)

C.2 PHOTOVOLTAIC/ENERGY CONSERVATION MEASURES (PV/ECMs)

C.2.1 Types of PV/ECMs Within Delivery Order Scope

The site for this proposed delivery order project is described in the Attachment 1 Site Data Package (SDP) to this DO RFP. This description includes an indication of the type of PV energy system that is desired for the site proposal. (If additional Attachments, such as site drawings, etc., are required, refer to them here also, include in Section J of this DO RFP, and provide as additional numbered Attachments with this DO RFP.) (Delete this note if this is not true.)

C.2.2 Other Types of Energy Conservation Measures

The site for this proposed delivery order project is described in the Attachment 1 Site Data Package (SDP) to this DO RFP. This description includes an indication of other technology categories that are desired for inclusion in a site proposal. (If additional Attachments, such as site drawings, etc., are required, refer to them here also, include in Section J of this DO RFP, and provide as additional numbered Attachments with this DO RFP.) (Delete this note if this is not true.)

C.2.3 Restrictions on Proposed PV Systems and ECMs

Specify any site- or agency-specific restrictions on PV systems and related ECMs for the proposed project, if any, which are additional to or different than those identified in the contract at C.2.3.

C.3 FACILITY PERFORMANCE REQUIREMENTS OF PV/ECMs

Identify the standards of service/performance requirements for the environmental, lighting, or any other conditions required by the site and/or agency facility manager additional to or different than those specified in the contract at C.3.1 and C.3.2. (These may include acceptable temperature and humidity ranges, air quality and lighting levels of specific facility areas, operating system parameters, required Uninterruptible Power Systems (UPS), specialized space conditioning requirements such as hospital surgical wards, compliance with Joint Council for Accreditation of Health Care Organizations (JCAHO) regulations for medical facilities, etc.)

C.4 MEASUREMENT AND VERIFICATION OF PV SYSTEMS AND ECM PERFORMANCE

C.4.1 open for use

C.4.2 Baseline Energy Use

If the federal agency is defining the baseline, then specify the required baseline here.

C.4.3 Post Installation Energy Use - Determining Energy Savings Performance and Regular Interval Verification

Specify the intervals during the term of the proposed delivery order project at which the agency will require the contractor to verify that the installed equipment/systems have been properly maintained, continue to operate correctly, and continue to have the potential to generate the predicted savings. This may vary by technology category. (Note that the contract elsewhere requires an annual survey. Only specify additional intervals if more frequent than annual.)

Stipulate, if applicable, the value of any factors that may vary during the term of the delivery order; i.e., number of hours lights are on in buildings, etc.

C.4.4 M&V Option and Method Required for Specific Project

The contract elsewhere requires compliance with the version of the DOE/FEMP M&V Guidelines in effect at time of delivery order award. Specify the M&V option(s) and method(s) that are required for use for the specific proposed project described in this RFP, or indicate that the contractor may propose them and the delivery order award will specify them.

Also specify any additions to or deviations from the M&V Guidelines relevant to M&V of the proposed project as a whole, or of specific ECMs included in the proposed project.

C.5 INSTALLATION REQUIREMENTS FOR PV/ECMs

C.5.1 ECM Installation Plans

- b) Specify required due dates for PV/ECM installation plans in reporting requirements of the delivery order.
- c) Specify any additions, deletions or changes to the minimum contents for PV/ECM installation plans indicated in the contract at C.5.1 c.

C.5.2 Design and Construction Standards

Specify any design and construction standards applicable to the specific site or agency, which are additional to or different than those indicated at C.5.2 of the

C.5.3 PV/ECM Quality Control Inspection Program

- a) Specify the required due date for the PV/ECM Quality Control Inspection Plan in reporting requirements of the delivery order. (The contract, at this paragraph, is defaulted to require its delivery with the PV/ECM Installation Plans (See Section C.5.1).
- b) Specify any quality control inspection program requirements applicable to the specific site or agency, which are additional to or different than those indicated at C.5.3 of the contract.

C.5.4 Environmental Protection

Specify any known potential environmental impacts relative to the specific site or agency, and/or the proposed project PV system and ECMs. (This could include information on indoor air and water quality, fragile ecosystems or endangered species; the need to use low-emission paints and solvents; preference(s) for recycling or historical preservation considerations; etc.) Specify known hazardous waste handling and storage requirements.

C.5.5 Service Interruptions

- a. Specify the advance notice requirement for planned utility service interruptions, if different than that identified in C.5.5 a. of the contract.
- d. The contract in C.5.5 provides required procedures and other requirements for the contractor to follow when there will be service interruptions. If different or additional procedures, and/or notification and approval requirements relative to these interruptions are desired, specify them here. (For example, a laboratory or hospital facility may require provision for auxiliary power during interruptions)

C.5.6 As-Built Drawings

The contract indicates that as-built drawings shall be submitted in accordance

with agency standards or specifications identified in the delivery order. Specify these standards and/or specifications, and if there is a time period to be specified for Government review, also specify it here.

C.6 OPERATION OF PV/ECMs

(Note: Discuss the provisions in C.6 of the contract with the site building management, operations and maintenance personnel to ensure that what is included there is acceptable to meet their requirements. Revise accordingly.)

C.6.1 Open for use

C.6.2 The contract indicates that the contractor shall be responsible for operation of all PV and ECMs installed. If this is not accurate, specify here the exceptions to this. Samples of possible exceptions are provided in the contract at C.6.2.

If the contractor shall be responsible for operation of PV and ECMs installed, specify any site- or agency-specific requirements for contractor maintenance of Government-owned systems or equipment.

C.6.3 Specify the due date for the submission of any revised operations work procedure for approval by the Government, as required when the implementation of PV and /or ECMs results in a change to an existing operation's work affecting Government or contractor equipment.

C.7 MAINTENANCE OF PV/ECMs

(Note: Discuss the provisions in C.7 of the contract with the site building management, operations and maintenance personnel to ensure that what is included there is acceptable to meet their requirements. Revise accordingly.)

C.7.1 Open for use

C.7.2 The contract indicates that the contractor shall be responsible for maintenance of all PV and ECMs installed. If this is not accurate, based on a contractor request in response to the RFP or negotiations, that the Government maintain all or

selected PV and ECMs, specify in the award which PV and ECMs, or all, shall be maintained instead by the Government. Samples of possible exceptions are provided in the contract at C.7.2.

If the contractor shall be responsible for maintenance of PV and ECMs installed, specify any site- or agency-specific requirements for contractor maintenance of Government-owned systems or equipment.

C.7.3 Specify the due date for the submission of any revised maintenance work procedure(s) for approval by the Government, as required when the implementation of any PV and/or ECM changes existing equipment maintenance schedules.

C.8 REPAIR OF PV/ECMs

C.8.1 If the contractor is being required to assume repair responsibilities for Government-owned facilities, systems and equipment as part of the energy savings project, specify the types of repairs that will be the contractor's responsibility. Specify the required contractor repair response time for repairs of Government-owned facilities, systems and equipment that fail due to actions on the part of the contractor.

C.9 CONTRACTOR MAINTENANCE AND REPAIR RESPONSE TIME

- **C.9.1** Specify required accessibility of an identified contractor's point of contact for all repairs, both non-emergency and emergency, including minimum and maximum response times for each instance. (See C.9.1 in contract for all information that is required to be specified here.)
- **C.9.2** Define any emergency maintenance and repair work, as it relates to the PV and ECM or ECMs included in the delivery order, beyond that already defined at C.9.2.

C.10 OPERATIONS AND MAINTENANCE MANUALS AND TRAINING FOR PV/ECMs

C.10.1 Operations and Maintenance Manuals

Specify the requirements for submission of O&M plans and spare parts lists for

the contractor-installed PV and ECMs...

C.10.2 Government Personnel Training for PV and ECMs

Specify site for PV and ECM Training Program, or indicate it will be specified later, and identify any site- or agency-specific requirements for Government Personnel Training on the installed PV and ECMs. (May wish to require a Training Plan.)

C.14 SALVAGE

List any equipment you expect will be salvage that the agency would like to retain, and designate here or in the delivery order a place for its storage.

C.15 ASBESTOS AND OTHER HAZARDOUS MATERIALS

The contract at C.15 provides the requirements for handling proposals for costs associated with any removal of hazardous materials from a project site. If the requirements for this specific site are different than the contract requirements, specify them here, or as known at time of award.

C.16 DISPOSAL

C.16.1 Hazardous Material Handling and Disposal

The contract at C.16.1 provides requirements for disposal of hazardous wastes. Specify any additional or different site- or agency-specific requirements here.

C.16.2 PCB Handling and Disposal

The contract at C.16.2 provides requirements for PCB recycling and/or disposal. Specify any additional or different site- or agency-specific requirements here.

C.17 SAFETY REQUIREMENTS

Specify any site- or agency-specific safety requirements additional to or different than those specified at C.17 of the contract.

D.5 DELIVERY AND STORAGE

Specify (consistent with section C.15 above) any special state and local requirements, as well as site- or agency-specific requirements, for hazardous waste handling, storage, shipping and disposal, as required for known or anticipated generation of hazardous waste, relevant to this specific PV/ECM project.

E.4 INSPECTION AND ACCEPTANCE OF INSTALLED PV/ECMs

The contract at E.4 provides inspection and acceptance criteria and contractor requirements for prior notification of PV and ECM installation(s) and inspection(s). Revise these criteria and notification requirements as desired, and include here any additional site- or agency-specific inspection and acceptance requirements.

F PERIOD OF PERFORMANCE OF IDIQ CONTRACT AND DELIVERY ORDERS

Specify the number of days within which the contractor shall be required to commence work after the contractor receives the notice to proceed.

F.1 Delivery Order Term

Specify the desired delivery order term.

F.2 PRINCIPAL PLACE OF PERFORMANCE

Specify the location(s) for performance of the proposed project.

F.3 DELIVERABLES

Deliverables shall be in accordance with the Reporting Requirements Checklist found as Attachment (*specify Attachment number*) to this DO RFP. (*Include a Reporting Requirements Checklist for the delivery order as an Attachment to this DO RFP*.)

G CONTRACT ADMINISTRATION FOR THE GOVERNMENT

<u>ADMINISTRATION OF DELIVERY ORDERS</u>: Specify the Agency Contracting Officer (CO) and Contracting Officer's Representative (COR), and their contact information, as identified for the DOE CO and COR in G.1 (a).

G.1 Open for use

G.2 INVOICING INSTRUCTIONS

Specify all invoicing instructions, including invoice format, invoice contents and any attachments or enclosures, submission and addressing instructions, etc.

G.3 START OF INVOICE SUBMITTALS FOR DELIVERY ORDER PROJECTS

(a) Specify when the contractor may commence submission of invoices if different than what is specified in the contract at G.3 (a).

G.4 PAYMENT TO THE GOVERNMENT FOR ANNUAL COST SAVINGS SHORTFALL

If the provisions included in the contract at G.4 are unacceptable to the ordering agency, or require revision, specify the revised procedure for payment to the Government for annual cost savings shortfalls.

H REPRESENTATIONS, CERTIFICATIONS AND OTHER STATEMENTS OF THE OFFEROR

Include any representations and certifications required by the agency, other than those already obtained by the DOE Contracting Officer. (The DOE CO obtained complete FAR and DEAR (DOE) representations and certifications and will keep them updated annually. If the Agency CO wishes to have a copy of these representations and certifications for their DO award file, and to determine if any additional ones are desired, they should be requested of the DOE CO.)

H.1 - H.4 Open for use

H.5 SUBCONTRACTS

Specify any requirements for prior consent of subcontracts, if desired by the Agency CO. (The contract does not require prior consent.)

H.6- H.8 Open for use

H.9 SECURITY REQUIREMENTS

- (a) <u>Passes and Badges</u>: Specify the time within which an IDIQ contractor employee's pass and badge shall be returned to the Agency COR if different than that identified in H.9 (a).
- (b) Open for use
- (c) (3) Specify the advance notice requirement for access to tenant spaces if different than that identified in H.9 (c) (3).
- (d) *Identify any project site secure areas and the requirements for contractor access to them.*

H.10 WORK SCHEDULE REQUIREMENTS

Specify normal working hours at the site, and indicate if the contractor is to work within this schedule, may propose an alternate schedule, or must adhere to another agency-specified schedule. Specify the advance notice and request for approval requirements for IDIQ contractor work outside normal working hours if different than that identified in H.10

H.11 Open for use

H.12 FIRE PREVENTION

Specify any site- or agency-specific fire prevention procedures, rules or regulations.

H.13 WAGE DETERMINATIONS AND DAVIS BACON WAGE RATES

If a wage determination or determinations or D/B wage rates is/are required for the proposed delivery order project, indicate here which numbered Attachment(s) in Section J of this DO RFP provide it or them, and include it or them there, or indicate that they are available on the Internet and where to locate them.

H.14 REQUIRED INSURANCE

Minimum required insurance coverage is identified in the contract at H.14 (a). Specify requirement for any additional insurance coverage, by amount and type, if applicable.

H.15 ADDITIONAL DELIVERY ORDER CLAUSES FOR WORK ON DOE FACILITIES HAVING CLASSIFIED INFORMATION

Add the clauses indicated at H.15 of the contract to Section I if they are applicable to a proposed DOE delivery order project.

H.16 Open for use

H.17 LIQUIDATED DAMAGES

If liquidated damages provisions are required or desired for the proposed delivery order project, include them here in this DO RFP, as they are not included in the contract.

H.18 - H.20 Open for use

H.21 UTILITY ENERGY EFFICIENCY/RENEWABLE PROJECT FINANCIAL INCENTIVES AND TAX CREDITS

The contract at H.21 makes the contractor responsible for preparing any and all documentation required to apply for any financial incentives and tax credits for which the Government may be eligible as a result of installation of a PV/ECM system. The contract indicates that the delivery order shall specify how the contractor shall submit a proposal to address disposition of revenues acquired from the servicing utility, to be negotiated with the Government. If this proposed project is eligible for utility energy efficiency/renewable project financial incentive, include any specific information regarding the specific documentation required by the servicing public utility company, as well as any governing agency decisions regarding the disposition of revenues acquired from the servicing utility for this PV/ECM project. Provide guidance, as known, on whether utility rebates or incentives may or may not be applied to the project, or are to be returned to the Government. Likewise, investigate and provide information regarding potential tax credits to be claimed for this PV/ECM project.

H.22 - H.23 Open for use

H.24 REQUIREMENTS FOR FULL PROPOSAL CONTENTS FOR BOTH GOVERNMENT-IDENTIFIED AND CONTRACTOR-IDENTIFIED DELIVERY ORDER PV/ECM PROJECTS

H.24.1 Format for Technical Proposal

The contract, at H.24, and at H.24.1 for the technical proposal, provides default requirements for proposal contents. IF you do not wish to use the H.24 and H.24.1 requirements, specify here, or provide as an Attachment to this DO RFP, any different requirements you will use, INSTEAD OF what is found at H.24, and instruct the IDIQ contractor offerors here to use these replacement requirements instead of what is in the contract.

If using the H.24 and H.24.1 requirements, specify here if there are any additions, deletions and/or revisions to them.

IT IS STRONGLY RECOMMENDED TO REDUCE REQUIREMENTS IF AT ALL POSSIBLE. IF A CONTRACTOR-IDENTIFIED PROJECT, LEAVING THE FULL REQUIREMENTS, BUT DISCUSSING INFORMALLY HOW MUCH INFORMATION IS REALLY REQUIRED IS ENCOURAGED. ORAL PRESENTATIONS OF A MAJORITY OF THE PROPOSAL INFORMATION IS ALSO STRONGLY ENCOURAGED.

H.24.2 Format for Price Proposal

The second paragraph in the instruction for DO-Ia indicates that utility rates to be used for purposes of developing the proposal will be provided. Provide these rates here or as an Attachment to the DO RFP.

This paragraph (H.24.2) may never be changed, as the contract requires that all DO schedules be provided as part of the proposal for a DO project, in response to any DO RFP issued. In addition, instructions for their completion as well as instructions relative to the additional support information required and necessary so that they may be evaluated are also included in this section, and need not be repeated.

NOTE IN INTRODUCTION TO H.24 This note includes an indication that all technical proposals shall be limited to a total of fifty overall pages, to include technical and price, not

including the DO schedules themselves. Other instructions are also included here as to formatting. Specify here any changed format and page limitation instructions.

H.25 PROPOSAL EVALUATION FOR DELIVERY ORDER PV/ECM PROJECTS

H.25.1 Technical Evaluation Factors

The contract, at H.25.1, provides the default for proposal technical evaluation criteria and procedures. IF you do not wish to use the H.25.1 proposal evaluation criteria and procedures, specify here, or provide as an Attachment to this DO RFP, any different criteria and procedures you will use, INSTEAD OF what is found at H.25.1, and instruct the IDIQ contractor offerors here that these criteria and procedures supersede those in the contract at H.25.1.

If using the H.25.1 evaluation criteria and procedures, specify any additions, deletions and/or revisions to them.

BE ADVISED THAT IF YOU CHANGED SOMETHING AT H.24.1, YOU NEED TO LIKEWISE MAKE COMMENSURATE CHANGES HERE AT H.25.1. THE TWO MUST MATCH.

H.25.2 Price Proposal Evaluation Factors

These factors are included in the award and may never be changed. Use of the DOE Price Evaluation Worksheet to evaluate the DO schedules will result in having evaluated in accordance with the required contract price evaluation criteria.

H.26 - H27 Open for use

H.28 PREAWARD REQUIREMENTS

H.28.1 Specify the percentage difference between DO-Ia and DO-Ib estimated annual cost savings that you will permit, IF other than the default at this paragraph in the contract. (NOTE: IF you are not requesting a DO-Ia proposal but rather going directly to a DO-Ib submission, which may often be the case with a Contractor-Identified project, this Section paragraph need not be completed.

SECTION I CONTRACT CLAUSES

Specify in the order, by reference and/or in full text, ONLY any additional clauses required by the ordering/implementing agency that are not already included in Section I or elsewhere in the contract. (NOTE: The DOE CO keeps the FAR/DEAR clauses current, and by incorporating them by reference and giving the Internet site for them, has required that the latest version of the applicable clause applies. Therefore, probably ONLY agency-specific additional clauses need to be considered.)

SECTION J LIST OF ATTACHMENTS

The following specific Attachments should be considered for inclusion in each proposed delivery order project DO RFP, <u>as applicable</u>. (The order of the Attachments should be consistent with the DO RFP format, and flexible to the specific project):

Attachment	<u>Titl</u>	le

Site Data Package (SDP)

Existing Site and Equipment Conditions (including a list of systems and facilities and technical data on energy baselines, and building and energy using systems at proposed delivery order project site, as applicable.)

ECMs Desired/Required Within Proposed Delivery Order Project Scope

Number the

Proposed Delivery Order Project Site Maps (if applicable)

rest

as is deemed

Utility Rate Schedules applicable to the proposed Delivery Order Project

site

appropriate

Reporting Requirements Checklist for Proposed Delivery Order Project

Organizational Conflicts of Interest Disclosure Form (if appropriate)

Any applicable Wage Determination(s) (if not referenced to internet)

Add any other attachments, as required for the specific proposed delivery order project.

SECTION K REPRESENTATIONS AND CERTIFICATIONS

As indicated in this DO RFP at Section H.3, the DOE CO has obtained and will acquire annual updates of FAR/DEAR representations and certifications considered to be required for this IDIQ contract. *Provide here or as an Attachment to the DO RFP any additional reps and certs, usually only agency-specific and additional to those already obtained, that are considered to be required by the Agency CO.*

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Attach the following:

- DOE SUPER ESPC -- Delivery Order Request for Proposal (DO RFP)
- Site Data Package (SDP) Existing Site and Equipment Conditions and ECM's Required with Proposed Delivery Order Project Scope
- Delivery Order Schedules
- Applicable Wage Determinations
- Vendor's proposal



United States Department of Agricultura

Research, Education, and Economics Agricultural Research Service

September 27, 1999

Johnson Controls, Inc. Controls Group Attn: Mr. Jerry P. Cook 11318 Aurora Avenue Des Moines, Iowa 50322

Dear Mr. Cook,

The United States Department of Agriculture (USDA), Agricultural Research Service, National Animal Disease Center (NADC), Ames, Iowa is providing formal notification of the USDA intention to enter into an agreement with Johnson Controls Incorporated for a Super Energy Savings Performance Contract - Delivery Order. This Delivery Order will be awarded under the Department of Energy Midwest Region Super ESPC contract Number DE-AM36-98G010335.

The National Animal Disease Center has accepted the Detailed Energy Survey and has agreed that the sections of the Final Proposal addresses their needs identified during the project development process.

The Congressional Notification has not been released from the agency. We expect to have our letter to Congress by September 30, 1999. In order to avoid any adverse technical, rebate or schedule impacts which may result from the delayed Delivery Order. Johnson Control Incorporated is hereby authorized to begin its efforts in support of the Energy Savings Performance Contract - Delivery Order, Ames, Iowa.

Upon completion of the Congressional Notification process (30 days after notification of the Congressional Authorizing and Appropriation committees) ARS shall award Delivery Order #1 to Johnson Control in the amount of \$13,044,856 the total Annual Contractor Payments, to implement the project scope as defined in the Final Proposal on or before October 31, 1999.



If there is a need for any further questions or comments, please contact me on 301-504-1708.

SANDRA FRAZIER

CONTRACTS BRANCH

cc:

D. Jones, NADC



DEPARTMENT OF AGRICULTURE OFFICE OF THE SECRETARY WASHINGTON, D.C. 20250

SEP 3 0 1999

The Honorable Thad Cochran
Chairman, Subcommittee on Agriculture,
Rural Development and Related Agencies
Committee on Appropriations
United States Senate
136 Dirksen Senate Office Building
Washington, D.C. 20510-6026

Dear Senator Cochran:

This is to advise the Committees of the Department of Agriculture's plan pursuant to section 155 of Pub. L. No. 102-486, the Energy Policy Act of 1992, for the Agricultural Research Service (ARS) to procure and install energy efficient equipment at the National Animal Disease Center (NADC), Ames, Iowa. Under this plan, the full cost of \$6,813,000 for the equipment and installation will be financed in advance by Johnson Controls, Inc., an Energy Service Company approved by the Department of Energy under the Energy Savings Performance Contract (ESPC) program which is discussed in Title 10 part 436 of the code of Federal Regulations. Major elements of the proposed ESPC requirements planned at the NADC consist of the following:

- Equipment to preheat combustion air for the incinerators
- Installation of steam and chilled water metering in a number of buildings
- Connection of an existing electrical metering system.
- Heat recovery units
- Replacement of an air-powered sewage pump with an electric pump.
- Improvements to Building 1 lighting and HVAC systems
- Replacement of a Center boiler with a combustion turbine (CT) to generate based load steam and electricity
- Installation of a standby electrical generator to take advantage of less costly interruptible electrical rates

Repayment of the full cost of \$6,813,000 incurred by Johnson Controls, Inc., will come from annual costs savings to be derived by NADC from the installation of more cost-efficient energy equipment. The Department expects to award the contract by November 1999. Under the proposed contract, ARS will make estimated annual payments starting at \$500,000 escalating to \$900,000 from utility cost-savings at NADC for the period of 18 years. The total cumulative amount of payment to Johnson Controls, Inc., for the 18 year period is estimated to be \$13,294,000. Currently, annual energy costs at NADC are in excess of \$1.5 million.

The Honorable Thad Cochran Page 2

In addition, as required by subsection (a) (2) (D) (iii) of section 155 of the Act, this letter is intended to provide the Committees with a written notification that ARS is approaching negotiation and issuance of the contract at NADC which would include a clause setting forth a potential cancellation fee of \$6,813,000, which is equivalent to the up-front cost to be incurred by Johnson Controls, Inc. ARS will be required to make this payment in the event of contract cancellation. ARS does not have such funds available and would need additional appropriations to cover these costs.

The Department intends to implement the ESPC program, where feasible, at other ARS locations to accelerate the installation of more cost-efficient energy equipment. At this time the National Agricultural Library is a candidate for future participation under this program. We will advise the Committee as appropriate when these plans become finalized.

A similar letter is being sent to Congresswoman Kaptur, Congressmen Combest and Stenholm, and Senators Cochran, Kohl, Lugar, and Harkin.

Sincerely.

I. MILEY GONZALEZ

Under Secretary

Research, Education, and Economics