



U.S. Department of Energy
**Energy Efficiency
and Renewable Energy**

Bringing you a prosperous future where energy
is clean, abundant, reliable, and affordable

Federal Energy Management Program

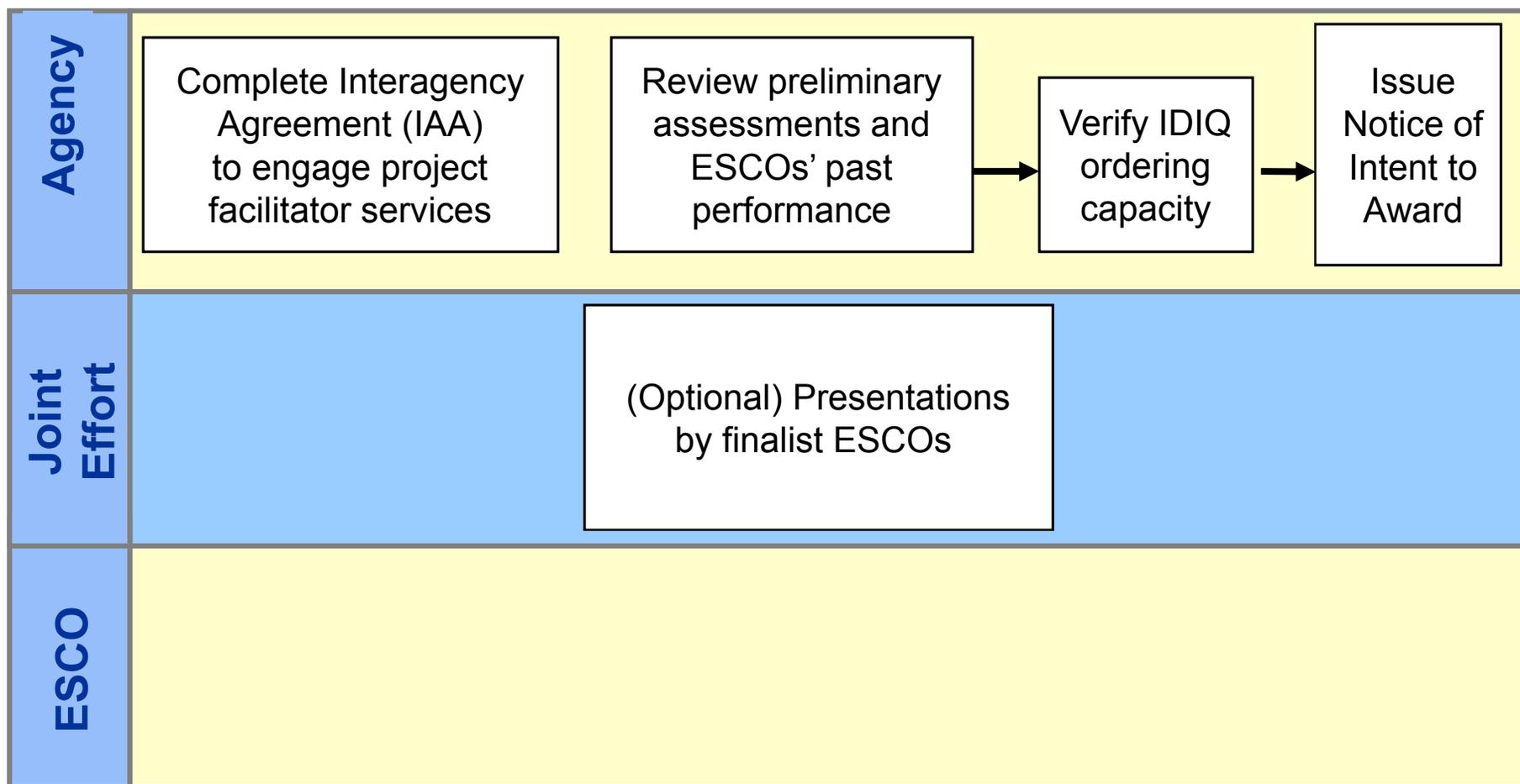
DOE Super ESPC Preliminary Assessment





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IDIQ — Indefinite-delivery, indefinite-quantity (contract)



The Preliminary Assessment

- Must comply with IDIQ contract requirements (see section H.4) and give sufficient information for a decision
- Key elements:
 - A narrative summary of proposed project
 - Description of ECMs
 - Estimates of proposed energy and cost savings
 - M&V approach (general)
 - Risk/responsibility matrix
 - Financial schedules



M&V Approach in PA

- This is an overview, not a complete plan
 - Describes intended approach
 - Should address M&V options (A, B, C, and D)
 - Point of departure for M&V discussion with agency
- Allows agency and the contractor to develop a satisfactory M&V Plan
 - M&V Plan is part of final proposal, following IGA



Preliminary Assessment Review

- Is the proposed scope sufficiently comprehensive?
- Does this meet (or can it be adjusted to meet) the majority of our needs?
- Is it a good deal for the government?
 - E.g., is it an appropriate project for a performance contract?
- Can the agency and the ESCO have a good long-term partnership?



PA Review (cont.)

- Are ECM descriptions and projected energy savings reasonable?
- Is M&V approach appropriate?
- Are service-phase line items, contract term, and total cost acceptable?
- Are contract term and total cost acceptable



Evaluating ESCOs' Technical Approach

- Things to consider:
 - Technical strengths, management approach, etc.
 - Comprehensiveness/depth of proposed scope
 - Responsiveness to your desired ECMs and approach
- Invite ESCOs to make presentations



Evaluating ESCOs' Past Performance

- Review ESCOs' qualification statements:
 - www1.eere.energy.gov/femp/financing/superespcs_espcscos.html
- Request data on ESCOs' past performance
 - Available from Golden, CO Field Office
- An ESPC is a long-term partnership – choose a partner you can live with



Evaluating the Price Estimate

- Project development
- ECMs
- Indirect costs and profit
- Financing costs
- Performance period services
- (More to come on pricing and TO Financial Schedules)



To Proceed or Not to Proceed

IF YES:

- You can accept one of the proposals and provide feedback to the ESCO
 - Feedback to address deficiencies and desired changes
 - These items to be addressed in the IGA and final proposal
- All other PAs are returned to the issuing ESCOs



To Proceed or Not to Proceed

IF NO:

- You can return all the PAs if none is satisfactory
 - Scrap the project, or
 - Consider starting over by issuing a revised set of requirements to the ESCOs



Prior to Issuing Notice of Intent ...

- Verify ordering capacity (via DOE FFS)
 - Each ESCO has \$5B contract ceiling, so probably not an issue – but need to check
- Confirm intent to proceed with all site and other affected personnel



The Notice of Intent to Award (NOI)

- Signifies selection of ESCO and formalizes decision to proceed
- Specifies timeframe for completion of investment-grade audit (IGA) and final proposal
- Outlines pre-award requirements
- Includes any other conditions of commitment

📄 A sample NOI letter is provided in the *Agency Project Binder*. 13



AFTER Issuing NOI ...

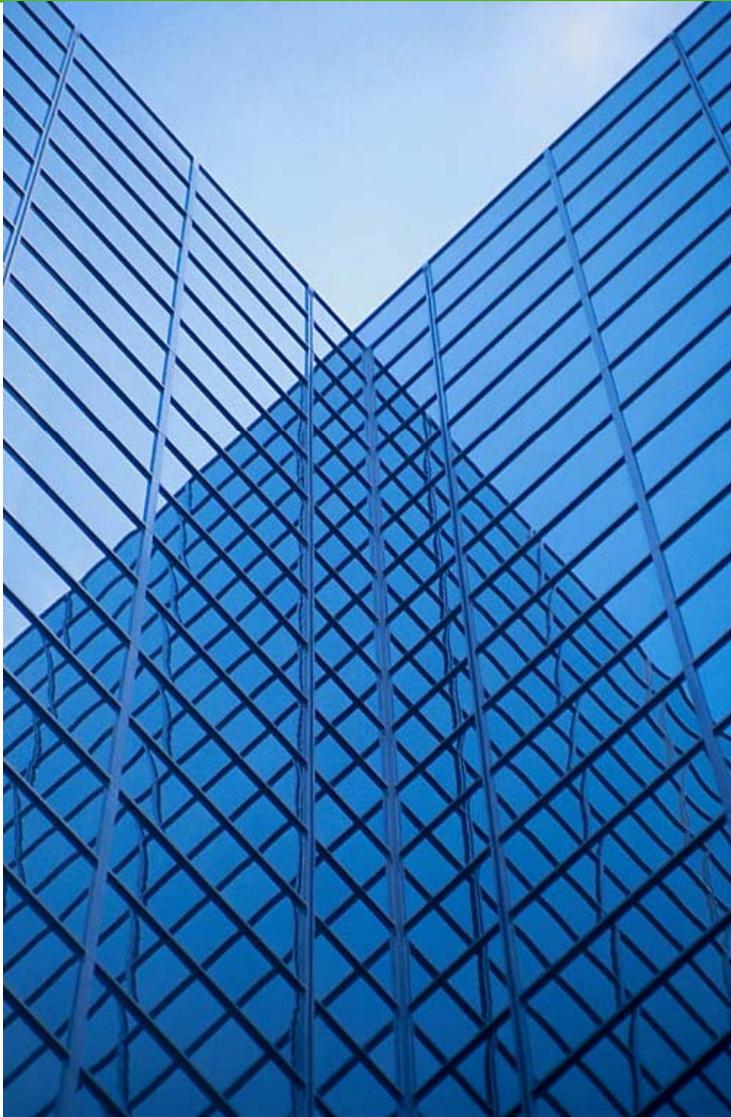
- ESCO's project development costs may be claimed and recovered if NOI is issued but DO is not awarded, if government has not acted in good faith (recourse from FAR)





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Next Step The Investment Grade Audit