

## ESCO Panel Q&A

*Questions from Tuesday and Wednesday and collective responses from the representatives from Ameresco, Siemens, and Pepco Energy*

**Q1:** Describe the most successful small business subcontractors that you work with in terms of characteristics. How does a small business become your “go-to” for the services that they may provide?

- These are performance-based contracts, so we are looking for performance contractors.
- Looking for loyalty.
- Some performance periods can be 20+ years; they are looking for subcontractors who can build longstanding relationships and move with the ESCO from contract to contract.
- Must be financially stable and able to work on a long-term timetable; 90% of time, the ESCO will need to tell the subcontractor to wait because the federal government has not yet approved the task order; it is not uncommon to wait for 24–30 months before beginning a contract.
- Bring true value to the table—product, capability, past performance, etc.
- The best value, life-cycle cost basis, long-term performance and a long-term collaborative partnership (can be up to 25 years).
- Become pre-qualified as subcontractors; even if their work doesn’t fit a NAICS code exactly, they should not assume they are not qualified to do work.

**Q2:** What kind of protégé (mentorship) relationships do you have or that you would consider?

- Pepco Energy (Eric Mathieson): Does not currently have protégé; competitively bids all their projects.
- Siemens (Rob Griffins): Has a protégé program; current protégé is MCB Lighting and Electrical Inc.; all are encouraged to prequalify for the program.
- Ameresco (Joey Price): Has a protégé program; works especially through Army contracts and all defense agencies; Ameresco needs every type of self-performing small business firm and encourages small businesses to contact them to work on a mentoring arrangement.

**Q3:** As someone who has not had experience with federal contracting, how would I start? What threshold do you require for subcontractors in terms of performance?

- Treat every case on a case-by-case basis; federal experience not required, and values and experience trumps specific experience in the federal sector.
- No threshold; looking for the best contractor to do the job.

**Q4:** I feel like I do not win (am on the bottom rung) as a subcontractor. Who can I contact in your organization so I can be a partner?

- Contact someone at Energy Industry Day and/or register in their systems; Ameresco, Siemens, and Pepco Energy all said they would be happy to help.

**Q5:** The CEO of my company recently won a 30-year contract. This is a huge win for our new-start organization. What is your advice?

- Join an ESCO mailing list.
- Contact an ESCO to have a conversation how to properly execute a 30-year contract; the ESCO can provide coaching and help small businesses become viable businesses partners.
- If the contract is unsuccessful, write a debrief of the situation and ask for feedback; this will help the small business to become a better partner for the next contract.

**Q6:** What security clearances are required when working as a federal subcontractor?

- Don't confuse badging with a security clearance.
- There are different requirements for entering the DOE building vs. on site.
- If there is a cost for the badge, it should be covered by the energy services company.
- If there is a security check, in most cases, it's a background check/police records check.

**Q7:** What do you do when there needs to be a chance order to the contract, since you are paying ahead?

- Do a preliminary assessment prior to starting the contract. It is regimented.
- There is some contingency in the contract to cover loose ends, although there are still some things you cannot cover for.
- It is very challenging to do a change request.
- This contract work is not for the faint of heart. It can take 24–32 months to get on a contract, and there is work instability.
- Give contractors a close-enough look at all the items to get an idea of what they will require; do their due diligence.