4. ESCO SELECTION

Best practices for ESCO selection are the following.

4.1 FEMP recommends that agencies use the Selection by Qualifications (SBQ) method (as described in the DOE IDIQ at section H.3.1) and standardize their SBQ process. FEMP ESPC experts and agencies with ESPC experience have observed that the SBQ method can elicit as much useful information for finding the best ESCO for a specific project as other more complex, costly, labor-intensive, and time-consuming methods. Agencies have observed that when using SBQ:

- Development of the Notice of Opportunity (NOO) is quicker.
- Project scope developed by the ESCO is comprehensive.
- Selection of the ESCO is efficient and the project development cycle is shorter.
- Unnecessary staff burden is avoided.
- High-value projects tend to be the outcome.
- Potential out-of-scope issues are avoided in fair-opportunity ESCO selection.

4.2 Use the FEMP NOO template and customize as applicable.

4.3 Keep the NOO as broad as possible to allow the ESCO to propose comprehensive and innovative solutions. FEMP discourages the use of 3rd party audits in NOOs.

4.4 Identify two or three site-specific needs or wish-list items (e.g., renewable energy conservation measures). This allows agencies to match ESCO capabilities with site needs.

4.5 Don't hesitate to conduct in-person interviews with down-selected ESCOs in the process. Face-to-face meetings can provide perspectives that may be missed otherwise.

4.6 Keep evaluation factors and selection criteria to the minimum necessary. Evaluation factors should be weighted to reflect the agency's priorities rather than all factors being weighted equally.

4.7 Require the ESCOs' responses to the NOO to include description of the following:

a) ESCO's management approach (how they're going to get the job done)
b) Methods and procedures used to obtain competitive prices on energy conservation measures (ECMs) and best value for the government
c) A schedule for Preliminary Assessment (PA) development
d) The personnel responsible for the PA and their qualifications
e) The ESCO's approach to developing energy baselines and the measurement & verification (M&V) approach for this project.