

Phase 1

Acquisition Planning & Teamwork – The Key to ESPC Success

Acquisition Team Responsibilities and Best Practices



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ESPC Project Milestones

• Acquisition Planning	Phase 1
• ESCO Selection	2
• Preliminary Assessment	2
• Notice of Intent to Award	2
• Request for Proposal	3
• Investment-Grade Audit	3
• Proposal and Proposal Review	3
• Negotiations and Task Order Award	3
• Final Design and Construction	4
• Project Acceptance	4
• Post-Acceptance Performance Period	5

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Phase 1 Acquisition Planning – Step 1

Step 1 – The FEMP Federal Project Executive (FPE) helps with project preliminaries:

- Determining whether a pay-from-savings project is feasible
- Educating staff and developing agency support for the project
- Determining what kind of support is needed within agency
- Reviewing issues to consider early
- Engaging DOE-approved Project Facilitator (PF)

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FEMP Support and Project Facilitators (PFs)

- Engaging a DOE-approved Project Facilitator (PF) is required
- Services of FPE and PF are provided free to agency through preliminary assessment (PA) review and Notice of Intent to Award
- After that, PF services are provided under an Interagency Agreement (IAA) with DOE for continuing PF services
- Costs can be rolled into ESPC project costs

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Best Practices for the Acquisition Team

- Form acquisition team early
 - An acquisition team requires at least:
 - the Contracting Officer and
 - CO's Representative (COR)
- Clarify roles and responsibilities, manage expectations
- Identify a project champion to keep project on track (may or may not be the project manager)
- Avoid miscommunication: Assign one person to communicate on behalf of the agency with the ESCO (typically CO or COR)

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Acquisition Team – Contracting

- Members**
- Contracting Officer (CO)
 - Acquisition staff



Roles & Responsibilities

- Ensure that contracts adhere to appropriate regulations while addressing agency needs
- Develop contract documents
- Ensure that scope and pricing are in the best interest of the government
- Award the TO
- Ensure that invoices are received and paid through the term of the contract

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Acquisition Team – Technical

- Members**
- Facility Energy Manager
 - Engineering – Energy, Planning, Design, Construction
 - O&M; may include O&M contractor
 - Environment, Safety, & Health Specialist

Roles & Responsibilities

- Act as technical representative for contracting officer
- Identify project goals
- Support development of contract documents
- Support ESCO project development efforts
- Review deliverables
- Provide oversight during construction
- Review and approve annual M&V reports

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Who Else?

Include everyone who could affect the project or be affected by the project.

For example:

- Tenants
- Union representative
- Labor relations
- Safety
- Site security
- Real estate



These team members might provide consultation and support during project development.

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Acquisition Plan

- DOE Golden Field Office Guidance on Acquisition Planning
 - FAR Part 7 requires acquisition planning for all acquisitions.
 - ESPC task orders are not exempt.
 - Acquisition planning ensures that the government meets its needs in the most effective, economical, and timely manner.

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Level of Required Agency Effort Varies

- Contracting officer and energy/facility manager will carry most responsibility
 - Other acquisition team members engaged as needed, when needed
- Factors include:
 - ESPC experience on acquisition team
 - Project complexity and size
 - Agency approval process
 - Commitment of acquisition team — Diligence and communication prevent unnecessary backtracking and re-work



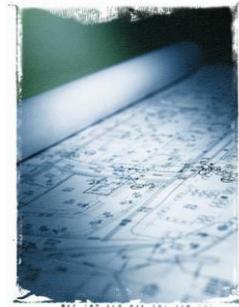
[See notes for rough estimates]

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Establishing Project Requirements

- The acquisition team establishes project requirements (in broad strokes)
- Determines project motivations and site needs
 - Priority objectives for the project (e.g., meet energy goals, or replace failing equipment)
 - Which buildings/facilities
 - Must-have ECMs
 - “Wish list” ECMs



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Considerations in Defining Project Requirements

- Future use of facilities
 - Ten-year site plans; planned construction
- Site needs and priorities based on
 - Command/upper management priorities
 - Condition of equipment
 - Feedback from employees/building occupants
- Site budget for utilities and energy-related equipment and O&M
- Planning for advanced technologies such as combined heat and power and renewable energy
- Unique agency- and site-specific issues



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Phase 1 Acquisition Team Tasks – Summary

- Establish acquisition team roles and responsibilities
- Educate stakeholders and build support for the project in the agency
- Address agency-specific procurement requirements
- Draft acquisition plan
- Determine project objectives and requirements (produce requirements document if needed)
- Document your process
- Build project momentum



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Best Practices – Streamlining required briefings, reviews, approvals, and business clearances

- Identify review, business clearance, and approval requirements and responsible managers
- Determine
 - when briefings must occur
 - what documents are required
 - who has signing authority
- Prepare for business clearance review concurrently with other process steps
- ***This is critical to keeping the project on track and preventing delays***



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A Core ESPC Best Practice: Work with Management

- **Help your organization help you – Work with Management**
 - Identify the decision makers – **at all levels** – who have authority to approve the project
 - Make sure managers are **fully briefed** and supportive at each stage
 - Make sure their issues/priorities are addressed
 - Give managers good justification to commit resources to support the project and meet project timelines

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Review Questions

Q1: Who is the first (FEMP) person to ask for help with your ESPC project?

A: The FEMP Federal Financing Specialist (FFS)

Q2: Are you required to use a Project Facilitator?

A: Agencies who use the DOE-FEMP IDIQ ESPC are required to use a qualified project facilitator.

Q3: FEMP FFS and PF services are provided free until after agency review of the what?

A: Preliminary Assessment

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Q4: Who are the two agency staff who typically carry most responsibility for the acquisition team?

A: Contracting Officer and site technical representative

Q5: Name two roles of the acquisition team.

- Create and implement a plan to achieve objectives
- Develop acquisition plan
- Define team roles
- Build site & agency support for project
- Keep everyone on track, keep process moving forward
- Assure a good deal for the government

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Exercise 1 – Acquisition Planning



After Exercise 1: ►

Module D

Efficient Products, Advanced Technologies, and Renewables: Getting Deeper Savings from your ESPC

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