



Energy Center of Expertise



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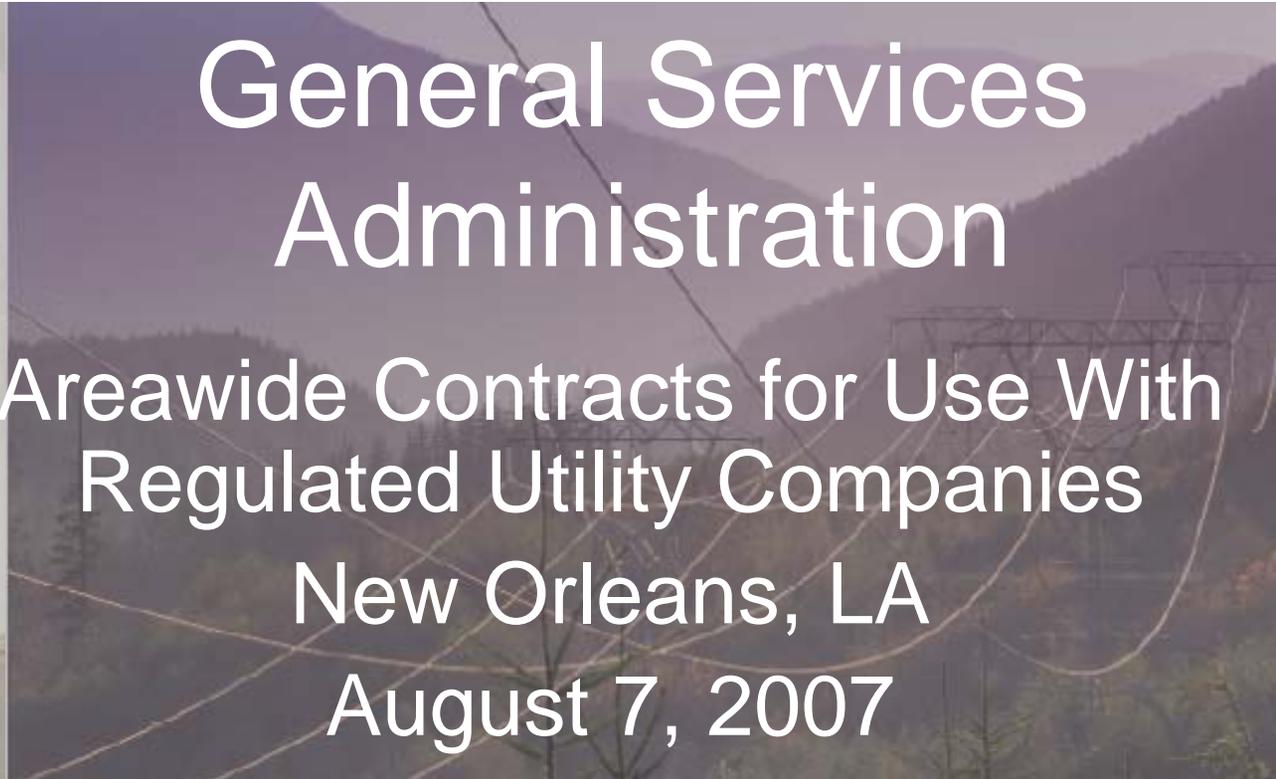


General Services  
Administration

Areawide Contracts for Use With  
Regulated Utility Companies

New Orleans, LA

August 7, 2007



# Legislative History

- Originated with Section 201(a) of the the Federal Property and Administrative Services Act of 1949, as amended 40 U.S.C. 481(a). Contract term authorized up to ten years.
- Approved for use as a contracting vehicle for energy management services by the Energy Policy Act of 1992.



## What is an Areawide Contract?

- ✱ A Master Blanket Contract for utility services between GSA and the utility company
- ✱ Standardized operating procedures
- ✱ Outlines general terms and conditions of services
- ✱ Contains all applicable Federal clauses
- ✱ Can be used by organization and/or agency listed on ADM 4800.2E in that particular utility company service territory



# Tariff Provisions

- Standard rules and regulations for service that is approved by a governing body
- Includes items such as metering and billing issues
- Customer rights
- Company obligations to the customer



# Areawide Utility Contracts

- GSA Energy Center currently maintains contracts with 101 regulated public utility companies for use by GSA and other Agencies.
- Provides guidance and assistance to customer Agencies.
- Some contracts include ability to perform demand reducing energy projects.



# Socioeconomic Clauses

- Includes the clauses applicable to utility service contracts
- Contract administration includes the acquisition and maintenance of a subcontracting plan for small and small disadvantaged businesses
- For energy management service contracts, the areawide contract does not include the clauses applicable to construction contracts



## **Areawide Contract**

Agencies shall use the Areawide Contract if there is one available.

Exceptions:

- ✱ More than one utility company offers the same services in a particular service territory
- ✱ Utility services available from another Federal agency





## The Authorization/Exhibit

- ✱ Is a one-page form that Federal agencies and/or organizations use to order utility services.
- ✱ The Authorization/Exhibit details the utility services to be provided to the ordering agencies specific sites.
- ✱ Ordering agency must submit an Authorization to the utility company for any changes proposed in the characteristics of the utility services required (i.e. building closure, building modification)



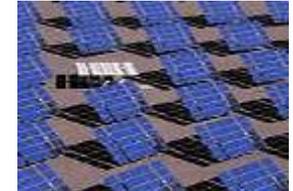
## **The Authorization/Exhibit (Cont'd)**

- ✱ The term of an Authorization is independent of the term of the Areawide
- ✱ For example - the ordering agency and utility company may sign an Authorization for utility services for any period up to 10 years, and may extend beyond the expiration date of the Areawide contract





## The Authorization/Exhibit (Cont'd)



Authorizations are NOT required to be amended under the following circumstances:

- ✿ Changes to accounting or appropriation data
- ✿ Rates or other terms applicable to service classification
- ✿ Tariff terms
- ✿ Cost of purchased fuel
- ✿ Estimated annual cost of service



# Authorization Information

A faint, light blue background image of the Statue of Liberty's head and crown, positioned in the upper right corner of the slide.

- Agency Identification Ordering
  - Agency's Address
  - Type of order
  - Term of service
  - Service technical information
  - Accounting and appropriation information
  - Billing information
  - Government signature
  - Company signature
- 
- A decorative footer graphic consisting of a stylized, wavy American flag in shades of blue and white, spanning the bottom of the slide.



## **Services Available through the Areawide Contract**

- ✱ Electric service
- ✱ Electric transmission and distribution services
- ✱ Energy management services
- ✱ Natural gas service
- ✱ Natural gas transportation service
- ✱ Steam service
- ✱ Water management service





## Steps to Procuring Utility Services

Define your needs

Review the options

Identify the best value based on the following:

- ✱ Location
- ✱ Competition requirements
- ✱ Agency resource requirements
- ✱ Cost





## **Steps to Procuring Utility Services (Cont'd)**

Implement the Areawide Contract:

- ✦ Obtain Authorization Exhibit
- ✦ Gather necessary data
- ✦ Complete Exhibit, signed by agency Contracting Officer and utility
- ✦ Agency sends signed copy of Exhibit to GSA Public Utilities Office





## **Steps to Procuring Utility Services (Cont'd)**

### Contract Administration

- ✱ Ordering agency administers its own utility service exhibits
- ✱ All notices are to be provided to the GSA Public Utilities Office
- ✱ Must record in Federal Data Procurement System (FPDS)





## Billing and Payment Services

- ✱ Bill goes to billing address specified on Authorization
- ✱ Late payment charges are applicable
- ✱ Ordering agency entitled to any billing discounts, incentives, or rebates offered to others in same service classification
- ✱ Payment usually not made in advance





# Authorizations for Energy Management Services (UESC's)

- Detailed user guidebook is provided in “Procuring Energy Management Services with the Utility Areawide Contract,” available on the ECOE website.



# Features and Characteristics

- EPO Act authorizes regulated utilities to provide services on a sole-source basis that will enable the Federal Government to attain its energy reduction goals
- Convenient and streamlined method of obtaining demand side management goals
- Useful where the value of the contract is minimal and appropriations are not available or where appropriations are available

# Current Status

- GAO audit in calendar year 2001
- The audit discovered inappropriate use of an areawide contract and highlighted the need for strengthened guidance on the areawide contract's use

# Corrective Action

- GSA Requested the Department of Energy to conduct a study of the utility industry as it relates to energy management services
- Adopt a revised definition of and provide additional guidance on what constitutes a demand-side energy management service
- Require agencies to follow the required justification and approval process for using other than full and open competition

# DSM Definition

- The DSM work must produce measurable energy/water reductions or measurable amounts of controlled energy/water use
- The DSM work must be directly related to the use of energy/water or directly control the use of energy/water
- The preponderance of work covered by the DSM measure (\$\$\$) must be for items described above; and
- The DSM measure must be an improvement to real property

# Delegating Utility Authority

- GSA has delegated its utility authority to enter into new contracts for periods not exceeding ten years to DOD and DOE, and for connection charges only to VA.
- Other agencies requiring utility service contracts for periods over one year, but not exceeding ten years, may request a delegation of authority from GSA, on a case-by-case basis.

- Agencies must have contracting officials have the technical experience that is necessary for the specialized problems encountered in the utility industry.
- Request for delegation must include a description of the project, cost, and other miscellaneous information that is necessary to determine the propriety of delegating the contracting authority.
- In keeping with its statutory authority, GSA will, as necessary, conduct reviews of delegated agencies' acquisitions of utility services to ensure compliance with the terms of the delegation and applicable laws and regulations.



# Questions . . .

- Contact the Energy Center of Expertise at <http://www.gsa.gov/energy>.

