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**Basics of Energy Contracting
Federal Bureau of Prisons
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Background

- The Federal Bureau of Prisons was established in 1930 to provide more progressive and humane care for Federal inmates, to professionalize the prison service, and to ensure consistent and centralized administration of the 11 Federal prisons at the time.
- Today, the Bureau consists of 115 institutions, 6 regional offices, a Central Office (headquarters), 2 staff training centers, and 28 community corrections offices. In turn, community corrections offices oversee residential reentry centers and home confinement programs.
- The Bureau is responsible for the custody and care of about 209,000 Federal offenders.

Mission

- The Bureau protects public safety by ensuring that Federal offenders serve their sentences of imprisonment in facilities that are safe, humane, cost-efficient and appropriately secure. The Bureau helps reduce the potential for future criminal activity by encouraging inmates to participate in a range of programs that have been proven to reduce recidivism. Approximately 37,000 BOP employees ensure the security of Federal prisons, provide inmates with needed programs and services, and model mainstream values.

Field Acquisition Office (FAO)

- The FAO was created to satisfy the acquisition needs of the Bureau's field offices in a proactive, efficient, and effective manner. The FAO has assembled a staff component gathered from throughout the Bureau to manage the acquisition needs of institutions and regional offices. The FAO's primary functions are to procure goods and services, and construction for institutions and regional offices in amounts exceeding \$100,000; provide oversight and assistance to field staff in procurement matters.

Executive Order (E.O.) 13123

- Signed into law on June 3, 1999, E.O. 13123 requires Greening the Government Through Efficiency Energy Management.
- More specifically, ***the Federal Government, as the Nation's largest energy consumer shall significantly improve its energy management in order to save taxpayer dollars and reduce emissions that contribute to air pollution and global climate change.***

E.O. 13123 Section 404

- ***(a) Competitive Power.*** Agencies shall take advantage of competitive opportunities in the electricity and natural gas markets to reduce costs and enhance services. Agencies are encouraged to aggregate demand across facilities or agencies to maximize their economic advantage.

Interagency Agreement (IAG) 588-8

- IAG 588-8 between General Services Administration (GSA) and the Federal Bureau of Prisons (BOP) facilities and the Natural Gas Acquisition Program to conduct reverse auctions on behalf of BOP facilities.

Agency Cost Reduction

- Since the implementation of IAG-588 in 2003, the BOP has added over 30 sites, in multiple regions, that are actively engaged in reverse auctions for natural gas and electricity services. Because reverse auctions offer various pricing structures, the BOP has been able to receive the benefit of consistent pricing in many instances where the volatility of the market proves to be unfavorable during the contract term. As a participant in reverse auctioning opportunities, the BOP has realized over \$27M, in cost reduction opportunities with annual cost reductions reaching \$9M, since fiscal year 2008.

Future Opportunities

- The BOP plans to continue to monitor the deregulation of various markets across the nation and maintain frequent communication with other federal agencies to identify possible opportunities for additional BOP facilities to successfully meet the requirements of E.O. 13123.

Questions ?????

Thank You!!!